Testimony of John P. Stupp Jr. of Stupp Corporation  
Japan Sunset Hearing  
July 30, 2019

Good morning. My name is John Stupp, and I am the President and CEO of Stupp Bros. Inc. and CEO of Stupp Corporation, our steel pipe manufacturing division. I appreciate this opportunity to testify.

Stupp was founded in 1856 and has been a U.S. manufacturer of iron and steel products for national security and critical infrastructure applications in the United States ever since. Our pipeline involvement dates back to the late 1940s. In 1952, Stupp began manufacturing pipe to support the Korean War effort before turning to energy tubular products in Baton Rouge, Louisiana. We later added a coating plant to our operations in 1994 and in 2008-2009, Stupp invested in a second pipe-making operation.

Stupp has both ERW and HSAW capabilities to produce welded line pipe in diameters ranging from 10 to 60 inches. Stupp is strongly committed to producing the highest quality steel pipe in the United States and has been for decades. However, our operations will undoubtedly suffer if the dumping order on welded large diameter line pipe from Japan is removed.

I testified in the original 2001 case and since the dumping order was imposed in late 2001, it has been effective in keeping dumped Japanese welded LDLP out of the U.S. market. This is not because Japanese producers
have lost interest in our market. Rather, it is because without dumping, Japanese producers have been unable to sell their pipe into the United States in substantial volumes. If the order was removed, dumped Japanese imports would rush back into our market at unfairly traded prices, and would harm U.S. producers and workers. There are several reasons why.

First, Japanese producers have maintained substantial welded LDLP capacity and production throughout the review period. They could produce even more by product shifting. Japanese producers manufacture several other products on the same equipment using the same workers as welded LDLP, including OCTG, structural pipe, and piling. Revocation of this order would give them the incentive to shift production from out-of-scope products back to in-scope line pipe.

Second, Japanese producers are heavily export-oriented, and the U.S. remains an important market for them. With virtually no home market for welded LDLP, Japanese producers rely almost entirely on exports to keep their production going. Even today, the U.S. market is one of Japan’s top export markets for excluded line pipe sizes. This clearly demonstrates their continued interest in this market.
Third, even small volumes of dumped Japanese pipe in the U.S. market would reinjure our U.S. industry. There is a high degree of substitution between domestic and Japanese welded LDLP. Your Staff Report confirms this. We produce the full range of pipe covered under the scope of the order. In fact, there is even greater overlap in grade, diameter and wall thickness between domestic and Japanese product than in the last review period given recent investments made by Stupp and other U.S. companies to increase capacity and improve product offerings. Claims that the Japanese do not compete against U.S. produced LDLP are simply not true – they were not true in the past and they are not true today.

Without the antidumping order, our operational and financial indictors would quickly decline. Our production, shipments, and employment would drop. And, our recent and planned investments would be threatened. In addition, any gains made since the recent trade orders on Canada, China, Greece, India, Korea, and Turkey would be lost.

Since the preliminary orders were announced, we started to ramp up our shuttered HSAW mill and since the orders were imposed, we have hired more than 300 workers and are investing roughly $22 million in our mills over the next two years to further increase production efficiency. One of these projects involves substantially increasing the capacity of our HSAW mill.
Please don’t put the livelihood of our employees and our investments at risk by removing the dumping order on Japan.

For these reasons, we urge the Commission to find that removing the antidumping duty order against Japan would likely lead to recurrence of material injury to the domestic welded large diameter line pipe industry.

Thank you.