

**Senator Amy Klobuchar**  
**USITC Hearing: Certain Oil Country Tubular Goods**  
**from India, Korea, Philippines, Saudi Arabia, Taiwan,**  
**Thailand, Turkey, Ukraine, and Vietnam**  
**Inv. Nos. 701-TA-499-500 and 731-TA-1215-1223**  
**(Final)**  
**July 15, 2014**

Chairman Broadbent, Vice Chairman Pinkert, and distinguished Commissioners, I am grateful for the opportunity to appear before you today to speak about the economic impact of foreign dumping of Oil Country Tubular Goods [O-C-T-G] on my state and the importance of supporting the Commerce Department's antidumping determination against foreign producers.

Dumping of steel products has significant economic implications. The O-C-T-G steel produced for the U.S. energy market accounts for approximately ten percent of domestic steel production. U.S. producers of OCTG directly employ nearly 8,000 workers across the country and every one of those jobs in turn supports another seven jobs in the supply chain, including in mining of iron ore.

Mining has always been a way of life for families on the Iron Range. Throughout our state's history mining has not only brought jobs to the region, it has also built our country, from our roads, bridges, buildings and railways

to the tanks and ships critical to our nation's defense. Minnesota's Iron Range boasts the largest concentration of iron ore in the world, and supplied most of the iron used in World War II.

My own family is part of this tradition. My grandpa worked in the mines in Ely for most of his life. He never graduated from high school but he saved money in a coffee can in the basement to send my dad to college. I learned the Iron Range values of hard work and perseverance from my parents and grandparents, and I carried them with me to the Senate.

The Iron Range is no stranger to tough times. Throughout its history there have been booms and busts. There is nothing harder on the workers than when a mine closes down. That's what happened to my grandpa and so many other miners across the Range. But he never gave up, and neither have the people of Northern Minnesota.

Right now Minnesota is first in the nation in the movement of iron ore, with more than 10,000 high-steel-related jobs, and that's why this issue is so important to my state.

Through the generations, our miners on the Range have earned a reputation for possessing a strong work ethic. They have proven that they can compete with anybody in

the world on a level playing field. Unfortunately, that fairness is being compromised by foreign trading practices that are putting all steel-related jobs, including those in mining, in jeopardy.

The flood of foreign OCTG into the United States is causing our domestic steel industry to lose sales and market share to underpriced foreign competitors. While the U.S. demand for OCTG is increasing, American producers are not seeing the benefits.

In fact, imports of OCTG have doubled since 2008. This year alone we have seen a 61 percent increase over last year. This is already having an impact in American facilities with reduced hours and the threat of layoffs for workers.

One of the most significant examples of the growth of foreign OCTG exporters is South Korea, which has a large steel industry but has virtually no domestic OCTG market. South Korean firms produce OCTG for export, and their exports to the United States have greatly increased over the past five years. In May 2014 alone, South Korean OCTG exports to the United States reached 213,000 net tons. That exceeds total South Korean OCTG exports to the United States in all of 2009.

I am very concerned that this vast expansion of South Korean OCTG exports to the United States was facilitated through efforts by South Korean firms to circumvent our trade laws, including by providing misleading data to Commerce Department investigators. Since South Korea has no domestic OCTG market, it is easier to hide whether these exported steel products are being sold below market value.

The Commerce Department's investigators had to make this determination based on information provided by the very same South Korean firms being investigated for undervaluing the OCTG in the first place. And some of the data received by the Commerce Department from these Korean firms apparently pertained to steel goods that cost less than OCTG.

Because of these troubling allegations, I joined a bipartisan group of 57 Senators, led by Senator Sherrod Brown, in sending a letter to the Secretary of Commerce expressing concern that the antidumping investigation may not have been receiving accurate information from Korean producers.

I am glad that this letter helped encourage the investigators to more closely examine these imports for any misrepresentations in origin and categorization. The final determination by the Commerce Department found

clear evidence of OCTG dumping by South Korean firms, as well as eight other countries dumping these products into the U.S. market.

Now that the investigation is complete, it is time to impose these duties to offset any gains of foreign OCTG exporters that have been achieved through illegal practices. It is critical that our trade laws are adequately enforced on behalf of American companies and workers in this important area. The steel industry is vital to the economic prosperity of my state and the country as a whole, and it must remain competitive – and the miners of the Iron Range are nothing if not competitive. But they also need to be allowed to compete on fair terms.

For that reason, I strongly urge you to make an affirmative determination in this case and support the Commerce Department's final determination.

Thank you for the opportunity to testify today. I look forward to continuing to work with you to ensure that U.S. businesses and workers are competing on level playing fields no matter the industry.