

International Trade Commission

Hearing on

Certain Oil Country Tubular Goods from

India, Korea, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam

Invs. Nos. 701-TA-499-500 and 731-TA-1215-1223 (Final)

July 15, 2014

Statement of the Honorable Spencer Bachus (R-AL)

Thank you for this opportunity and for accommodating my testimony this afternoon.

There is a primary election in Alabama today. In fact, the election is to choose the Republican nominee who will run for my seat as I will be retiring at the end of the year, and I felt that it was very important that I be in my district to cast my ballot in person.

Let me first acknowledge the Department of Commerce for the thorough examination that it has conducted into the importation of Oil Country Tubular Goods. These imports have increased from 840,000 net tons in 2010 to more than 1.7 million net tons in 2012.

The Commerce Department review was extremely detailed and the conclusions, in my view, are unassailable. Our antidumping and countervailing duty laws have been violated, sometimes quite egregiously.

The investigation, as you know, entailed antidumping contentions against India, South Korea, the Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam and countervailing duty allegations against India and Turkey. It was almost an across-the-board sweep. In the case of one major producing country, South Korea, the final dumping margins ranged from 9.89% to as high as 15.75%.

In addition, the Department of Commerce found that in some cases “critical circumstances” now exist. A translation of “critical circumstances” is that American jobs are at great risk. This matters – a lot. Right now, the United States is experiencing an energy renaissance. We are seeing levels of oil and natural gas exploration that we haven’t seen in decades. There is a great demand for the steel products used for casing and other purposes. It should be a time when U.S. producers are rushing to fill orders – and not worrying about being run off the playing field by unfair competition.

As I come from Alabama, where football is king, you’ll have to forgive me a football analogy. You cannot compete when a playing field is tilted. We enjoy our Alabama and Auburn football but if one side cheated in recruiting all the time and was never called on it, you couldn’t have a fair game. You could not compete and you could not win. Both sides need to play by the same rules and it is the referees who play a critical role in making sure that the competition is fair. The International Trade Commission is, in many ways, the lead referee.

The stakes in the OCTG investigation are high enough. But let me speak to an overarching issue. If the American people do not believe that trade is being fairly conducted, they may turn against all trade and that would be devastating to our economy. Free trade and foreign investment have brought many benefits to the U.S. As evidence of that, you need only look at the many manufacturing plants built in Alabama over recent years. But if people are convinced that the game is “fixed,” they are going to tell Congress that it is time that we just take our ball and go home. And that would be harmful all the way around.

By recognizing the very real material injury that has been inflicted on the domestic producers before us today, the ITC can send a message that all competitors must play by the rules. But it is not enough just to send a message. We have seen in prior cases how foreign producers have tried to evade trade laws even after a determination has been reached. A wire hanger producer in my congressional district, Milton Magnus of M & B Hangers in Leeds, can tell you all about that. So there must be firm and timely enforcement as well.

To conclude, the history of my hometown of Birmingham, Alabama is intertwined with the history of the steel industry in the United States. A large cast iron statue of Vulcan, the Roman god of fire and forging, still looks over Birmingham and Jefferson County from high atop Red Mountain. Steel has helped to contribute to Birmingham's economic prosperity. It has allowed workers to feed their families, buy a home, and send their children to college. But with the good times, there have also been tough years when many jobs have been lost because of unfair competition. And that has been very hard on those same families.

To me, the Commerce Department determination is like a rainbow over the Statue of Vulcan. It's of immediate and critical importance to the U.S. Steel plant in Fairfield, but I know it is being closely watched by all steel workers and companies who need an assurance that the system works.

On behalf of the many people who believe in standing up for steel, I urge you to render an affirmative decision and prevent unfair trade from further harming American workers and a great domestic industry.