

Statement of Congressman Gregg Harper
Before the International Trade Commission
*Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia,
Moldova, Poland, and Ukraine*
April 25, 2013

Good morning Chairman Williamson and Members of the Commission. It is truly an honor for me to appear before you today on behalf of the people of the Third Congressional District of Mississippi. I am here to support Nucor Steel Jackson and its workers in their request that the trade relief on rebar be maintained. I believe that if this relief is removed, the U.S. industry and its workers will once again be injured by unfairly traded rebar imports.

If you have ever visited my district, you know that manufacturing and steel production is very important to its economy. The Third District is home to Nucor Steel Plant, a world class rebar facility in Flowood, Mississippi. This mill has been operating for over five decades and is a staple in Jackson. It provides a good wage for hundreds in our community. If the trade remedy is removed, these jobs will be jeopardized – which will be bad for Jackson, where one out of every 10 residents is already out of work.

In 2001, the Commission imposed the trade remedy to prevent unlawfully traded rebar from continuing to harm the domestic industry. The trade remedy was necessary back then and is even more so now, especially given the weakened state of the industry. The U.S. rebar industry is struggling to recover from one of the

worst economic recessions in history and demand remains well below what it once was. Prospects for the future are not significantly brighter. While there appears to be some improvement in the construction sector, public construction spending remains sluggish and is unlikely to recover in the near future. The industry is suffering as a result. I understand that the industry is operating at under 70 percent of capacity. This means that too many workers are not making steel, and those that have jobs are taking home less pay.

The seven countries you are investigating are ready to return to the U.S. market, and they can make more rebar than ever before. Despite their already significant overcapacity, these producers are planning even further capacity expansions. Where are they going to sell all this rebar? It won't be in Europe – their economy is in shambles. It won't be in the Middle East either.

Instead, I have no doubt that these export-oriented producers will come back to the U.S. market as quickly as they can. These countries are able and willing to send large shipments of rebar to attractive export markets. The Latvian producers in particular are capable of diverting large volumes to the U.S. market in a short period of time. During the original investigation, Latvia more than doubled its volume of exports to the United States, sending more rebar to our market than any other country included in the case.

I understand there is evidence on the record indicating that the Latvian industry may have engaged in questionable practices to increase exports. These practices include altering the chemical composition of its steel to evade the trade remedy, and engaging in wide-spread tax evasion in order to sell its rebar in Poland at below-market prices. I also understand that Latvia's only rebar producer is essentially insolvent and that the Latvian government has indicated its willingness to bail the company out. I urge you to examine the record carefully for indications that unfair trade will resume if the remedy is eliminated.

The workers of Nucor Steel Jackson are productive and innovative and can out-compete even the strongest foreign competitor so long as the competition is fair. However, we cannot compete against industries that are subsidized by their government, that are not run on a commercial basis, or that engage in dumping. Our trade laws are designed to prevent the negative effects from exactly these types of behavior.

As I said earlier, Nucor Jackson has been in my community for more than 50 years. My hope is that it continues to be around for generations to come. By fully enforcing the U.S. trade laws, the Commission can help ensure that this happens.

Thank you very much for allowing me to be here today and share my views on this critical issue.