

**Testimony of Senator Sherrod Brown**  
**U.S. International Trade Commission Hearing on Aluminum Extrusions**  
**Tuesday, March 29, 2011, Washington, DC**

**Madam Chair Okun** and members of the Commission, thank you for the opportunity to testify on this case on behalf of more than a dozen Ohio companies representing hundreds of workers from Columbiana to Bellfontaine to Mt. Eaton.

These aluminum extrusion producers include Aerolite Extrusion in Youngstown, Hydro Extrusions in Sydney, and Kaiser Aluminum in Heath.

The workers at these companies make aluminum for a range of customers, from the auto industry to picture frame manufacturers.

And like other industry leaders in Ohio, these Ohio workers and manufacturers can compete with anyone in the world.

But as I've testified before in front of this Commission – on behalf of Ohio manufacturers of consumer tires, off-road tires, thermal paper, coated paper, or different types of steel or clean energy products – our industries are forced to compete on an uneven playing field in the global economy.

Subsidized competition from so-called trading partners threatens to put key American sectors out of business.

Unfair trade subsidies mean lost jobs, stagnant wages, and communities struggling without tax revenue to support basic services and schools.

But as I've made clear in my previous testimony – and that this Commission has made clear in its previous findings – our trade enforcement laws are vital to strengthening our economic competitiveness.

This hearing is particularly timely as our trade enforcement laws are under attack at the World Trade Organization (WTO).

Earlier this month, a WTO Appellate Body reversed a prior WTO ruling that had upheld the use of our trade remedy laws against China.

Right now, the Chinese government is said to be planning a \$1.5 trillion, five-year investment in seven strategic manufacturing industries.

At a time when we need to enforce our trade remedy laws to fight this clearly unfair Chinese subsidy, the Appellate Body overreached and threatens to dilute the power of our own laws.

To make sure that doesn't happen, Senator Olympia Snowe and I today sent a Dear Colleague to our Senate colleagues to join us in a letter to Ambassador Ron Kirk, urging the Administration to take all steps necessary to rectify this ruling.

These steps include pushing negotiations in the Doha Round to ensuring that our countervailing duty law remains fully applicable to China.

The case before you today on aluminum extrusions is a perfect example of the danger American manufacturers' face without the effective use of trade remedy laws.

Aluminum extruders sell products for everything from picture frames to autos, heavy machinery to commercial lighting, windows, doors, and other building and home products.

But around 2007, according to one Youngstown manufacturer, the orders stopped coming.

Around that time, imports of Chinese extrusions began to create havoc in the U.S. aluminum extrusion industry.

Prior to 2007, China's market share in aluminum extrusion was negligible. But, remarkably, within a few short years its market share expanded to almost **20 percent**.

During a time when **U.S. consumption** of aluminum extrusions **fell substantially** during the recession, **Chinese imports more than doubled** from 2008 to 2009.

As a result, production capacity in China dramatically increased – and capacity expansion continues at a rapid rate.

One Ohio manufacturer talked to me about the cottage industry that importers created over the last few years, based on China's subsidized production capacity expansion.

These are warehouses that employ just a few people to receive subsidized Chinese imports and sell to customers – the customers who would otherwise purchase from American manufacturers.

The competitive disadvantage for U.S. producers is clear.

The duties unequivocally show that inputs from China are taking market share from U.S. producers, not from other imports.

China's import prices are so low that U.S. aluminum extrusion manufacturers end up with little room to negotiate on price.

This is the case even though China theoretically should be paying roughly the same global commodity prices for the raw materials.

American manufacturers do have some built-in advantages, such as the cost of freight within the continental U.S. This is a significant geographical advantage over imports from China.

Yet despite this advantage, imports from China are able to undersell us by significant margins.

This is only possible through Chinese government subsidies to Chinese producers and exporters – and by harmful dumping practices.

Before the preliminary duties were placed into effect late last year, much of the U.S. industry was working at 50 percent production capacity.

But since the Commerce Department announced preliminary relief last October, I have heard, at least anecdotally, that more customers are coming back to aluminum extruders in Ohio.

Our trade laws are indispensable, even more so in a global economy where free market competition based on sound pricing, solid workmanship, and efficiency, gives way to distorted subsidies, dumping, and other anticompetitive and corrupted practices.

Our trade remedies, when properly applied, defend against the type of unfair competition currently faced by the U.S. aluminum extrusions industry and its workers.

The producers and workers in Youngstown, Sydney, Heath, and across Ohio can compete with anyone – as long as it's a level playing field.

Thank you very much for the attention you have given this case.

I urge you to examine closely the record and testimony given today and to make an affirmative final determination.