

United States Senate

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Testimony of United States Senator Al Franken

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Madam Chair Broadbent and members of the Commission, thank you for the opportunity to offer testimony on the material injury to the U.S. iron and steel industry from dumped imports of Oil Country Tubular Goods (OCTG) steel products from Korea and other countries. Now that the Commerce Department has determined that imported Korean steel has been dumped at anti-competitive prices, it is time for the U.S. International Trade Commission to recognize the harm that those dumped imports have done to our domestic industry.

Minnesota plays a key role in our domestic industry as the home to many iron ore mines. Minnesota's and America's iron and steel producers and our workers can compete with anyone in the world on a level playing field. But we can't accept when other countries dump their goods here at anti-competitive prices, undercutting Minnesota's producers. The Korean imported steel endangers the iron

and steel industry and the people who work in it. Their good-paying jobs have been in peril, and it is time for the U.S. International Trade Commission and the Department of Commerce to act to prevent further injury from dumped imported steel.

The case for the injurious effect that the Korean steel imports, which have now been determined to have been dumped, have had on the American industry seems very hard to dispute. While OCTG imports more than doubled between 2010 and 2012 – with half of those imports coming from South Korea – domestic industry operating margins fell from 13.6 percent to 9.8 percent. This certainly cannot be chalked up to lack of demand for OCTG steel. On the contrary, there is a strong domestic market for OCTG products, largely as a result of the growth in domestic energy production. Nor has the domestic industry fallen behind in technological innovation or in investments.

There is, in short, little evidence that the damage done to the domestic industry has come from any other source than imports. And the

simple fact is that imports have been sold at significantly lower prices than domestically produced products – something we now know for certain has been a result of unjustifiable dumping by South Korea and other countries. That has damaged what should be a flourishing industry, and if it is not aggressively addressed, it threatens to further damage the industry.

Companies in the steel industry have already laid off workers, and reduced operating hours at or altogether idled facilities. More operations and more jobs are at risk if something is not done to fully enforce our nation's trade laws and act against unjustly dumped imports of OCTG steel.

For some time, I've been pressing to keep unfair trade practices in check and give our producers a fair shake, and I'm very pleased that the Commerce Department recognized that Korea and other countries were dumping steel here. It is now time to complete the process and take the final key step toward protecting Minnesota workers and Minnesota jobs,

and workers around the country, by recognizing the material injury that the dumped Korean steel has caused.

Thank you.