United States Senate
WASHINGTON, DC 20510

December 1, 2009

Chairman Shara L. Aranoff
U.S. International Trade Commission
500 E Street, S.W.
Washington, DC 20436

Re: Oil Country Tubular Goods from China, Inv. Nos. 701-TA-463 and 731-TA-1159 (Final)

Dear Chairman Aranoff:

We are writing to express our support for the domestic industry producing oil country tubular goods (OCTG) and to urge the Commission to ensure that unfairly-traded imports from China are not permitted to cause additional injury in this market.

The U.S. OCTG industry is suffering tremendously right now. In the wake of an astonishing import surge from China, and with depressed economic conditions, U.S. producers and workers have seen inventories of OCTG in the market build to unprecedented levels and demand for their products largely disappear. Much of our industry has been forced to shut down or to operate at vastly reduced rates, and a large portion of the workforce has been laid off. Needless to say, under these circumstances, the last thing we should be doing is allowing unfair trade to cause further injury in the market.

The Department of Commerce has already made a preliminary finding that OCTG from China has been unfairly subsidized at rates ranging from 11 to 31 percent, and we understand that the Commission itself has made a preliminary finding that imports from China threaten material injury to the U.S. industry and workers.

The evidence of injury from Chinese imports, as reflected in the Commission's own data, appears overwhelming. Imports from China tripled over the last three years, rising from 725,000 net tons in 2006 to 2.2 *million* net tons in 2008. By the fourth quarter of 2008, imports from China were coming in at a level that exceeded 70 percent of the consumption of *all* OCTG in this market. Even in the context of exploding inventories, weakening demand, and the shut down of a large portion of our domestic industry, Chinese producers have shipped an additional 700,000 tons of OCTG into this market during the first three quarters of 2009. The effects on our producers – as reflected not just in financial results but in employment, production, utilization, and other key indicators – have been devastating. Moreover, the industry's suppliers have seen steel orders plummet, further compounding the devastating effects of injury.

If this situation is not addressed, the industry could see significant additional injury. As discussed in the Commission's preliminary findings, China's pipe industry is massive, Chinese mills have a large amount of unused capacity, and indeed they are adding large amounts of new capacity. Furthermore, Chinese mills are highly export-oriented, face trade relief in other key markets, and rely heavily on the U.S. market – with 62 percent of China's OCTG exports in 2008 going to the United States. In light of these facts, it is clear that Chinese producers have an enormous incentive to continue shipping large volumes into this market.

American workers and producers need and deserve a fair chance to compete in their own market. Now more than ever, it is crucial that this Commission fully and effectively enforce our trade laws, and ensure that foreign producers refusing to play by the rules are not permitted to further injure American workers and companies.

We urge you to look at the facts of this case and take action to ensure that our trading partners live up to their commitments. Thank you for your consideration of our request.

Sincerely,

Blanche L. Lincoln

Bob Casey, Jr.

Richard Shelby

Carl Levin

Jeffrey A. Merkley

Evan Bayh

Mark Begich

Sherrod Brown

Arlen Specter

Debbie Stabenow

Jay Rockefeller

Robert Byrd

Dick Durbin