

Testimony of Leo W. Gerard

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ITC Hearing – Certain Oil Country Tubular Goods from India, Korea, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam

Tuesday, July 15, 2014

Good morning Chairman Broadbent and members of the Commission. My name is Leo Gerard and I am the International President of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union – or USW.

We represent workers at a number of major U.S. producers of Oil Country Tubular Goods, including U.S. Steel, TMK IPSCO, the Maverick Tube division of Tenaris, the Energex Tube divisions of JMC Steel Group, and Evraz Rocky Mountain Steel Mills division. We believe U.S. Steel to be the largest producer of OCTG in the United States. The company also has the largest USW workforce of any steel company in North America. US Steel

also has 142,000 retirees and their families who depend on its pension and healthcare payments.

Your period of investigation from the beginning of 2011 until the end of the first quarter of 2014 show significant employment gains - while this would appear to be good news, this increase in workers and hours-worked does not correspond to the big increases in demand for this product. Therefore, our members and our industry are not getting their fair share of the work this demand represents.

In fact, between the first quarter of 2013 and first quarter of 2014 hours worked increased by 1.4% while consumption increased by 13.6%. Why? Because despite massive investments in new capacity several years ago, the U.S. industry is losing market share to dumped imports.

What concerns USW the most is what has happened since April 1, which appears due in large part to Commerce's negative

preliminary determination on South Korea - they flooded the market. US Steel gave us WARN notices for the closure of mills in Belleville, Texas and McKeesport, Pennsylvania. 295 USW members will lose their jobs to dumped imports. Energex gave us a WARN notice for the layoffs of 50 workers in Warren, Ohio and has announced closure of its plant in Welland, Ontario. They also laid off non-union workers in Arkansas and Alabama. TMK did not lay off workers but cut the hours of our union members at a plant in Newport, Kentucky, shut down one mill and cut back at other non-union plants as well. You heard Mr. Eisenberg say that his company cut 15% of its workforce in a brand new mill.

This is shocking during a period of increasing demand, therefore, the industry and our members are not sharing in this domestic boom in energy exploration.

I'd like to take one minute from my time to ask the Steelworkers in the room from US Steel's Lorain Ohio and Mon-Valley Works to stand – these are just a fraction of the people whose jobs are at stake in this trade case.

I have no doubt that if you make a negative determination in this case these dumped imports will keep gaining market share. This will lead to additional plant closures and thousands of workers like our members here, who will lose their jobs.

In 2009, when USS shut down Lone Star they also shut down Granite City Works because that's where they make the steel that Lone Star makes into OCTG. So we could lose thousands of steel jobs as well.

The USW is hoping to see job growth in OCTG and in steel mills making products that become OCTG. Before these new imports arrived, steel and OCTG for the domestic energy boom was probably the brightest thing I have seen in this industry during a career that has seen little but retrenchment and job losses.

Don't let unfairly traded imports rob us of this opportunity. Give American workers and their families a chance and vote in the affirmative. Thank you.