

**Testimony of U.S. Congressman Jason Altmire (PA-04)
U.S. International Trade Commission Hearing on
Hot-Rolled Steel from Brazil, Japan, and Russia**

April 6, 2011

"Good morning, Chairman Okun and Members of the Commission. Thank you for allowing me the opportunity to testify on the need to continue antidumping and countervailing duty orders on hot-rolled steel products from Brazil, Japan, and Russia. I would also like to take this time to thank the members of the Commission for the important work you do in enforcing laws against unfairly traded imports. The proper enforcement of these laws is critical to the protection of American workers and companies from injurious and illegal trade practices.

"I am here today to discuss the five-year reviews of the orders on dumped and subsidized hot-rolled steel from Brazil, Japan, and Russia. The Department of Commerce has already determined that termination of these orders would likely lead to a recurrence of dumping and illegally subsidized steel. It would be devastating to the American economy and to the tens of thousands of Americans employed in steel mills to allow this industry to be crushed by a surge of unfairly traded steel from Brazil, Japan, and Russia.

"In 1998, the American economy was booming and unemployment was at a historical low of 4.5 percent. Our GDP was growing at an annual rate of 4.4 percent and the United States was consuming over 75 million short tons of hot-rolled steel. During this period of strong economic activity, our nation's steel mills were operating at 87.5 percent of their total capacity. That same year, a devastating 400 percent surge of unfairly traded imports of hot-rolled steel from Brazil, Japan, and Russia almost wiped out the domestic industry, prompting the ITC to issue the orders that are the subject of today's hearing.

"Fortunately, the imposition of the anti-dumping and countervailing duty orders – together with the hard work of American hot-rolled producers – allowed the domestic industry to recover. Since 1998, productivity in the domestic hot-rolled steel industry has improved, hourly wages have risen, and hot-rolled producers have continued to employ tens of thousands of workers in their mills.

"However, 2011 is not 1998. The domestic industry is in a vastly more vulnerable position now than it was in 1998. The United States is still recovering from what some have called the worst economic crisis since the Great Depression, with unemployment just recently dropping below nine percent. Hot-rolled steel is used primarily in the automobile industry and the construction trade, two key sectors that have been among those hardest hit by the economic downturn. Therefore, it is no surprise that current demand for hot-rolled steel is much lower than pre-recession levels. Last year, the United States consumed only 55 million short tons of hot-rolled steel and, as a result, the domestic industry operated at less than 69 percent of total capacity. This level of production has not allowed domestic producers to recover the heavy losses they sustained in 2009.

"I am proud to represent the fourth district of Pennsylvania, just north of Pittsburgh. The district is populated by what were once booming steel towns along the Ohio River. These towns where the American steel industry used to thrive know all too well the negative impacts of unfairly traded foreign steel. One example is the Jones and Laughlin Steel Company in Aliquippa. At the height of production, the mill supported thousands of jobs and a community of over 20,000 people. As foreign subsidized steel importation increased, the mill was forced to close, and Aliquippa's population was cut nearly in half.

"Though it is not what it once was, steel manufacturing continues to be a significant employer in the region, with U.S. Steel Mon Valley Works employing a number of my constituents of the fourth district. These well-paying jobs provide a good standard of living for local families, but they could disappear if these orders are not maintained. These sunset reviews are taking place at a time when domestic producers are extremely vulnerable to injury from unfair trade. There is simply no question that the recurrence of dumping would lead to further damage to the industry or our economy, a risk we cannot take.

"I urge the Commission to keep the orders in place and to give the domestic steel industry a chance to recover without the fear of injury from unfair trade. American steel producers have proven that they can be world-class competitors when the terms of competition are fair. I thank you for the opportunity to testify today."