Testimony regarding the global steel industry situation and the impact on U.S. steel industry and market

Good Afternoon.

Thanks you for this opportunity to share some comments regarding the impact of excess global steel capacity and unfair trade practices on manufacturing jobs.

These issues have a tremendous effect on the workforce in the U.S., in Ohio and in my District, where more than 50% of manufacturing jobs are impacted by the global steel supply issue.

Countries like China are continuing to illegally attack our nation’s manufacturing workers by dumping steel into our markets and diluting the price of the product.
Growing up in Niles, Ohio I have seen firsthand both the positive impact a robust steel industry can have on a community, and the devastation caused by steel plant closures.

Our Nation’s steel workers are facing an unprecedented threat, one that could jeopardize our steel industry, manufacturing base and communities across America.

The U.S. steel industry is a vital component of our country’s manufacturing base, and a critical segment of our economy in the U.S. and in my District. Any disruption of our manufacturing base would have a catastrophic impact on our economy and our labor base.

Manufacturing employment in Ohio is about 660,000 or almost 13% of the total non-farm employment. Manufacturing contributes about $100 billion or nearly 18% to the state’s GDP.

Ohio’s economy has experienced resurgence in recent years partially due to new investments by the steel industry; however, these gains have seen setbacks due to the ongoing flood of imports and oversupply of steel.
If we continue to allow foreign countries to create an unfair playing field, the economy of my state that has become one of the top steel making states in recent years will be threatened.

Unfair trade practices and steel oversupply can potentially put over 300,000 Ohioan manufacturing workers out of jobs. Furthermore, since each manufacturing job impacts at least four other jobs, the total number of workers affected by such unfair practices would be staggering.

I have seen firsthand how devastating it can be when plants are closed and scores of workers lose their only source of income. Many are forced to leave their home town in search of employment. The local community is then affected by loss of tax revenue causing less funding for the schools, libraries, mental health services, parks and community services. Local shops and service industry are impacted since they lose their customers and will have to scale back with layoffs and are eventually closed. Downtowns and neighborhoods are abandoned. This negative ripple effect leads to greater inequality, increased anxiety and can put communities back for decades before any recovery is realized.
Ohio is home to many steel pipe and tube companies - a segment of the steel industry that has been hit the hardest. Some of the steel pipe and tube companies in my District that could be impacted include JMC Energex, (Cambridge, Niles, Warren) TMK IPSCO (Brookfield), Vallourec USA (Youngstown) and Bull Moose Tube of Masury.

This particular industry has experienced nearly 4,000 layoffs since January 2015 and uncertain conditions in the marketplace continue to threaten these companies and their workers. In 2015, the industry experienced several bankruptcies and plant closures. In addition, two leading producers exited the domestic market resulting in permanent job losses.

While overall pipe and tube imports fell in 2015, the shipments from domestic manufacturers plummeted. By the end of 2015, imports managed to capture 60 percent of the U.S. market.
The letters provided by Mayor Thomas Bernabei (Mayor of Canton), Mr. Robert Hankins (President and CEO of ArtsinStark), Mr. Stephen Paquette (President and CEO of Stark Development Board, Inc.) and Ms. Beth Lechner (Executive Director of Habitat for Humanity) attest to the potential impact on our communities if one of Ohio’s major steel producers, TimkenSteel, becomes affected by unfair trade practices and/or steel oversupply.

Strong trade enforcement is needed to level the playing field for our steel workers and manufacturing workforce.

I ask that you continue to support the American steel workers and vigorously enforce the current trade laws and continue to help our steel industry fight against the foreign dumping of cheap steel.

I urge you to use new trade remedies as needed, deny requests for extension by foreign respondents in trade cases, and issue preliminary determinations that provide effective relief.
We must send a strong message that our workers can compete with any in the world, but the playing field must be level.

I hope my testimony gives the Department of Commerce and the U.S. Trade Representative a better understanding of how important the steel industry is to Ohio and the United States.