U.S. Steel Industry Makes Strides in OCTG Dumping Case

An August 2014 ruling by the International Trade Commission (ITC) to approve new duties on certain foreign imports of “oil country tubular goods” (OCTGs) represents a step in the right direction for fair trade.

OCTGs are steel pipes used in the extraction of oil and natural gas, as well as in the building and maintenance of critical infrastructure. In July 2013, a group of domestic OCTG producers filed a trade case against nine countries -- South Korea, India, the Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine and Vietnam -- charging that they were illegally flooding the U.S. market with imported OCTGs at prices well below fair value and in ways that circumvent U.S. trade laws.

In July 2014, the U.S. Department of Commerce (USDOC) found clear evidence of illegal dumping of OCTGs into the U.S. market and established dumping margins, or duties, of up to 15.75 percent for OCTGs from those countries. The USDOC’s July ruling reversed the agency’s preliminary ruling on the matter earlier in the year, which inexplicably exempted South Korea, the largest importer of OCTGs into the United States, from paying additional duties.

In August, however, the ITC voted affirmatively to impose anti-dumping orders against six of the nine countries (South Korea, India, Thailand, Turkey, Ukraine and Vietnam), which collectively represent more than 90 percent of the unfairly traded imports that entered the U.S. market in 2013.

The ITC decision was welcomed by domestic OCTG producers who have long claimed that the illegal dumping of OCTGs into the U.S. market has resulted in reduced orders, plant shutdowns, job loss and financial hardship for companies unable to earn anticipated profits on their capital investments.

“The ITC’s ratification of the U.S. Department of Commerce anti-dumping ruling is an important decision for the domestic steel industry,” says Emily Petrovich, government relations manager for U.S. Steel Corporation. "It’s a step in the right direction to enforce our country’s trade laws so domestic steel producers and steelworkers can continue to compete in a level playing field."

Thanks in part to a grassroots advocacy effort led by the Alliance for American Manufacturing (AAM), which included strong support from elected officials, state manufacturing associations, organized labor and steel industry stakeholders, the
domestic steel industry prevailed in demonstrating the material injury to U.S. steel companies from illegally dumped OCTGs.

From Ohio, Senators Sherrod Brown and Rob Portman were leading voices in Washington for the domestic steel industry on this bipartisan effort. Because Ohio is the nation’s leading manufacturer of iron and steel pipe and tube in the nation, reducing illegal dumping of OCTGs has been – and continues to be – a policy priority.

“Ohio steel companies and steelworkers have the skilled talent and technology to compete with foreign competitors,” says Petrovich. “All we need is a level playing field, and that requires strict enforcement of existing U.S. trade laws.”

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