

Testimony of Leo Gerard
ITC Rebar Hearing
September 15, 2014

Chairman Broadbent and members of the Commission, thank you for giving me the opportunity to appear before you today. I am Leo Gerard, President of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial & Service Workers International Union – commonly known as the USW.

The U.S. rebar industry is very important to USW. We represent workers in much of the industry, including Cascade and a number of Gerdau facilities. I would like to take a moment to introduce some of these workers who have traveled to be here today. Please stand up and be recognized. Their jobs, and those of thousands of other steelworkers, are at stake from unfairly traded rebar from Turkey and Mexico.

Dumped and subsidized rebar from these countries have surged into the U.S. market at an alarming rate, increasing by more than 90 percent from 2011 to 2013. By systematically undercutting U.S. prices at every turn, these imports have doubled their share of the U.S. market in a few short years and now represent a substantial portion of our market. In fact, I'm holding a picture of Turkish rebar sitting on the docks in St. Paul, Minnesota, ready for purchase and ready to take sales from Gerdau's facility, which is only a stone's throw away. This is also the

same facility from which our members here today have traveled. These imports are ever-present.

Foreign producers have the gall to claim that U.S. demand is exploding and that these imports are needed to meet the rising demand. This is laughable. How can they say this with a straight face when hundreds of rebar workers have lost their jobs due to the import surge, and would like nothing more than to return to work? And, where is all this booming U.S. demand coming from? The domestic producers and workers who should be benefitting from this so-called demand surge are certainly not seeing it.

The reality is that these imports are not needed – with the industry operating at less than 70% of capacity, domestic producers have more than enough capacity to supply the entire market. Rather than responding to market forces, Turkish and Mexican rebar producers have forced their way into the United States by selling at dumped and subsidized prices, all but devastating the domestic industry in the process.

The U.S. rebar industry is desperately seeking to get itself back on its feet after one of the worst recessions in history. Despite a modest recovery in demand since this collapse, the industry has been prevented from realizing much of the benefits due to the onslaught of imports from Turkey and Mexico. As a result of this unfair trade, U.S. prices have crashed, profits have declined, and the industry

is now operating at dismal capacity levels – only 66 percent. Workers have lost their jobs, and hours and wages have been reduced. Too many steelworkers are working reduced hours or have received pink slips, including at Gerdau facilities in St. Paul, Minnesota; Wilton, Iowa; Rancho Cucamonga, California; and Beaumont, Texas. In fact, Gerdau’s facilities in Sand Springs, Oklahoma and Perth Amboy, New Jersey are entirely idled. And, Cascade has one of its facilities idled, and its remaining facility is operating at reduced shifts – leaving more union workers without work or with a reduced paycheck.

I am here today because increased volumes of unfairly traded Turkish and Mexican rebar have taken a devastating toll on the domestic industry, its workers, and their families. This harm is unacceptable and must be dealt with in the strongest terms possible. The fact that U.S. producers have had to idle their mills, cut employees, and cannot fully employ their current workforce during a period of moderately increasing U.S. demand makes the unfair trade practices of Turkish and Mexican producers all the more appalling.

Make no mistake – Turkish and Mexican imports are ruthless. Without trade relief, there will be nothing to stop them from flooding into our market, taking our sales, and killing our jobs.

Thousands of steelworkers, including those here today, are depending on the Commission to make the right decision in this case. Please do not allow unfairly

traded imports to continue injuring our workers and their families and vote in the affirmative.

Thank you.