



**Congressional Steel Caucus
Testimony of Mario Longhi
President and Chief Executive Officer, United States Steel Corporation
March 25, 2014**

Good morning, Mr. Chairman, and other respected members of the Congressional Steel Caucus.

I am Mario Longhi and I am privileged to serve as the Chief Executive Officer of the more than 24,000 proud U.S.-based employees of United States Steel. I thank you for inviting me to participate in these important discussions about issues currently facing the American steel industry and for the support you have given our industry over the years.

I am pleased that Leo Gerard, international president of the United Steelworkers, is here today to lend his voice to this conversation on a matter of utmost importance to our employees, our company, our industry and our country. That matter is unfair trade.

Rule-breaking, Mr. Chairman, is cheating. And trade based on deception can never be “fair” trade. Permit me to focus today on a serious example of what we in the steel industry are facing today

In July 2013, U. S. Steel and other domestic Oil Country Tubular Goods (OCTG) producers filed a trade case against nine countries based on the alarmingly rapid and intense surge of imported OCTG products into this market, primarily by South Korean companies. OCTG are steel pipes used in the extraction of oil and natural gas, contributing to our nation’s economic and energy security. OCTG products are also integral to the building and maintenance of our nation’s critical infrastructure and must meet the highest safety and quality standards. The evidence in this case clearly shows that OCTG products are being illegally dumped in what remains the most open and attractive market in the world at prices below fair value and in ways designed to circumvent our trade laws.

This probably sounds familiar to some of you ... and it is. China tried to do the same thing in 2008. We fought and won a dumping case against their OCTG producers in 2009, but not before many facilities were idled, thousands of steelworkers lost their jobs, and our communities and our families sustained significant and long-lasting injury.

After we won the case, Chinese producers essentially abandoned the U.S. OCTG market, a clear sign that they could not compete when the playing field was leveled. [CHART #1].

As the American economy and our energy and critical infrastructure demands rebounded, American steel companies spent billions of dollars to improve OCTG facilities across the country. United States Steel spent over \$100 million on new facilities at our Lorain, Ohio operations, creating new, good paying, and middle-class American jobs.

However, the respite for the OCTG industry from illegally dumped products was short-lived. South Korean producers quickly seized this opportunity and began flooding our market. [CHART #2]

Mr. Chairman, the only difference between 2009 and today is that South Korean OCTG producers are more clever about hiding their actions.

Earlier this year, we were disappointed that the Department of Commerce issued preliminary findings that failed to recognize and punish illegal South Korean dumping made possible through interwoven networks of related companies, all created to evade our laws and conceal the true cost of producing and importing OCTG. By July 8, 2014, the Department of Commerce will issue its final determination in this same matter.

The government's meaningful investigative work is typically performed during the final phase of the case – and that phase is now underway. It is worth mentioning that in its preliminary findings, the Department of Commerce noted that it would need to investigate further the issues of control and affiliation, and even raised the question as to whether it had the correct sales and cost databases from the South Korean entities. United States Steel is doing everything possible to ensure the truth is discovered and acted upon by our government.

Mr. Chairman, the United States was founded on principles of justice, equality and fairness and it is sustained by a transparent rules-based system of law. Our country then advanced an international system of commerce based on the same fairness and transparency. We rely on you, our government, to enforce these rules and punish the rule breakers. Mr. Chairman, all we ask for is a level playing field – the one our trade laws promised we would have.

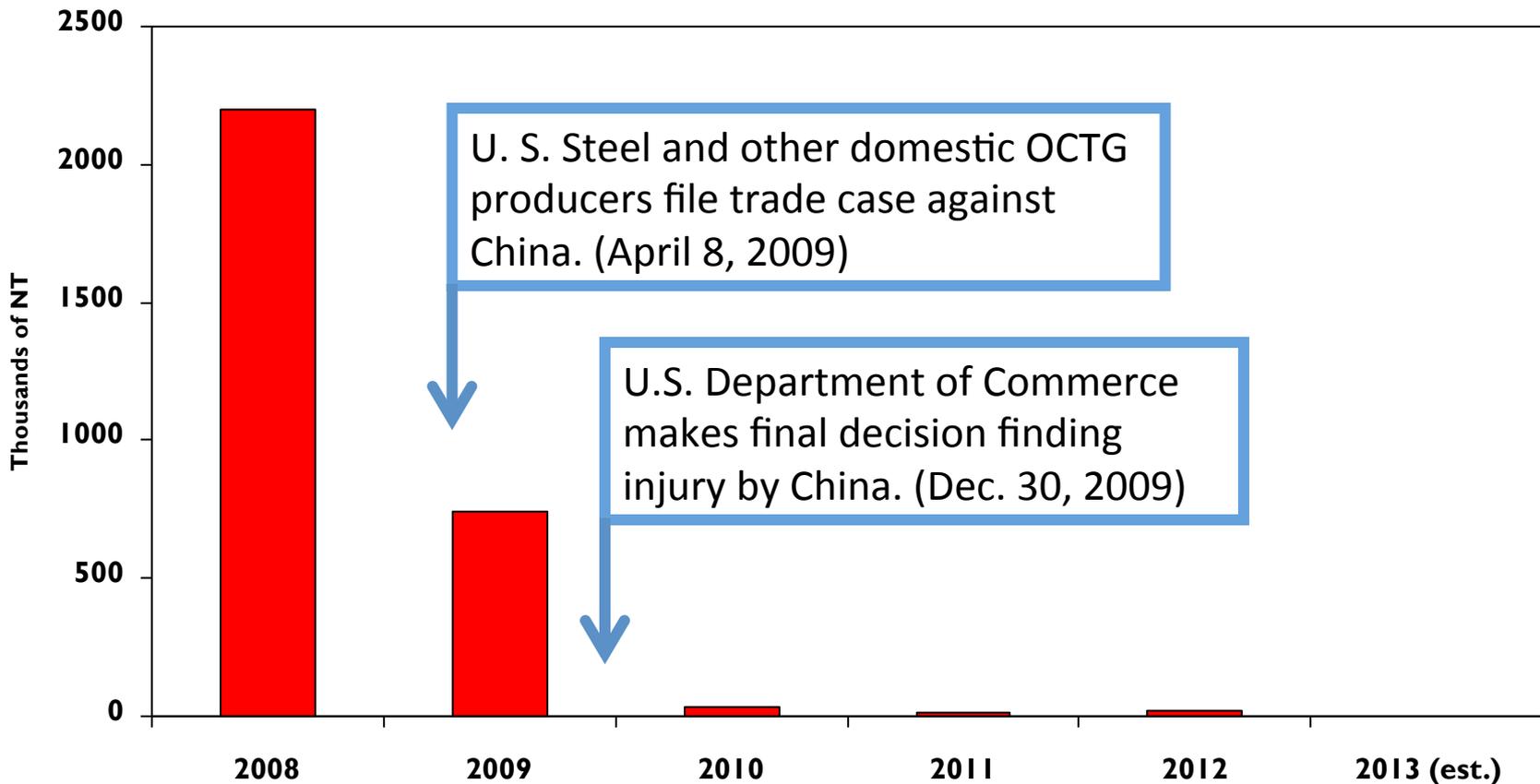
United States Steel alongside the United Steelworkers urge you and the members of this important caucus to continue to inform all of official Washington of the dire consequences that lie in wait for the American steel industry, and for the jobs of thousands of middle class American workers should this trade case turn on obfuscation and chicanery.

We are grateful for your continued vigilance and advocacy and for your leadership on this important issue.

Thank you.

Since 2009, Trade Relief Against Chinese Imports Has Been Extremely Effective

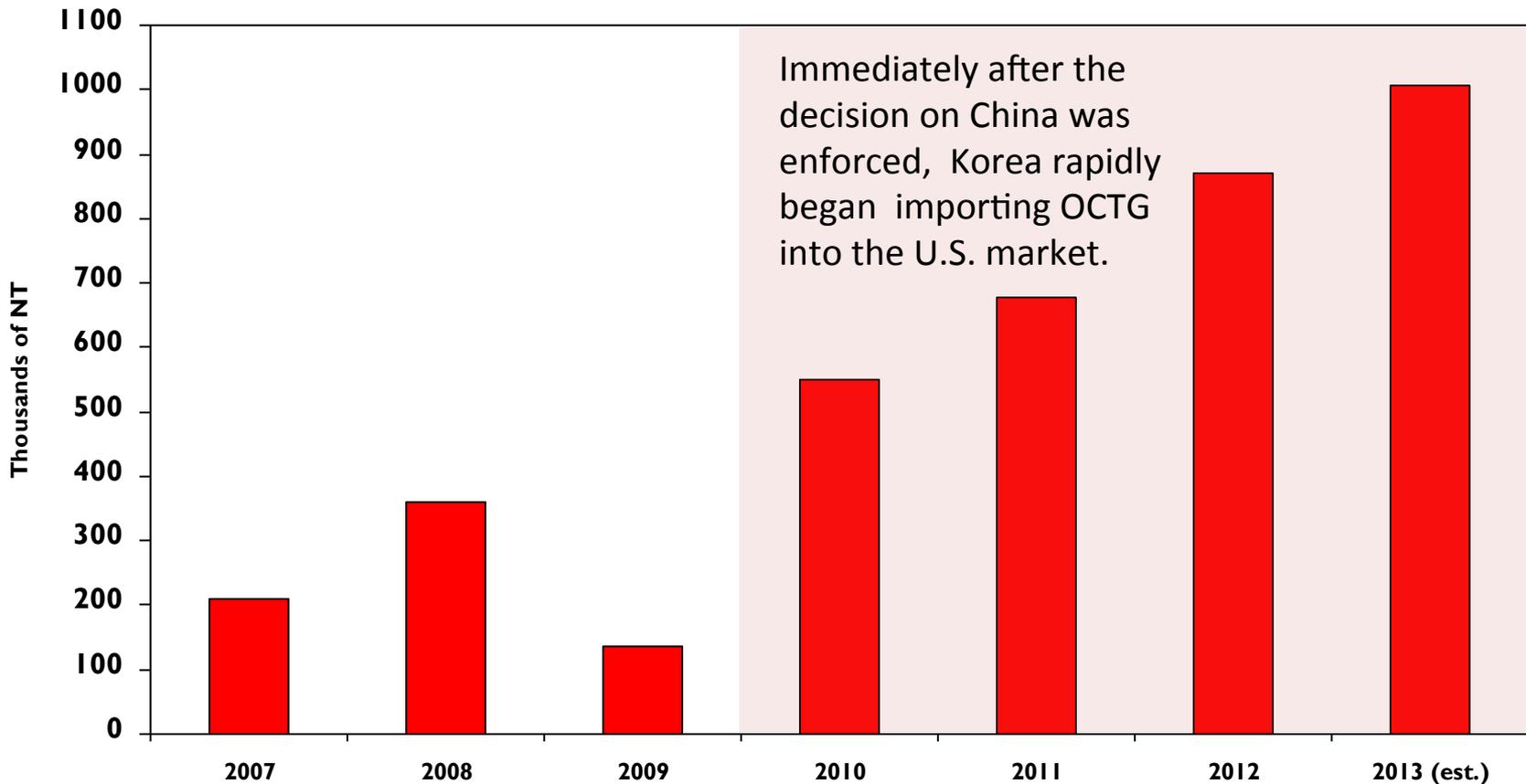
U.S. Imports of OCTG from China (2008-2013)



Source: U.S. Census Bureau.

Simultaneously, Korean Imports Rapidly Surged After 2007

U.S. Imports of OCTG from South Korea



Source: U.S. Census Bureau.