

United States Senate

WASHINGTON, DC 20510

Testimony of Senator Shelley Moore Capito before the U.S. International Trade Commission
Silicomanganese from Australia
Investigation No. 731-TA-1296
February 11, 2016

Good morning Chairman Broadbent, Vice Chairman Pinkert, and members of the Commission. I would like to thank you for allowing me to appear before you today in support of hundreds of workers in my home state of West Virginia.

I am testifying in strong support of the imposition of an antidumping order on imports of silicomanganese from Australia. One of the two U.S. producers of silicomanganese is Felman Production, which is located in Letart, West Virginia, on the banks of the Ohio River. The other U.S. producer — Eramet Marietta in Marietta, Ohio — employs many workers who live in West Virginia. As you may know, the plant in Mason County, West Virginia has been a major contributor to the local economy for decades.

My testimony today is about fundamental fairness and the rule of law, but it should still be understood in the broader context of my home state. In December, West Virginia's unemployment rate was 6.3%; the unemployment rate in Mason County, where Felman is located, was 6.8%.¹ Unfortunately, those numbers belie the full extent of the problem's West Virginia faces. Last year, the Labor Department reported that West Virginia was the only state where less than half of its adults worked. West Virginia's coal industry has lost over 10,000 jobs since 2009, and the state faces a \$353 million budget shortfall for 2016. The economic challenges in West Virginia underscore why the good paying jobs that Felman offers are so important to our state and our region.

I had the honor of visiting the Felman plant to help celebrate its 60th anniversary in 2012. I toured the plant, met with its workers, and spent time with their families. Reflecting on the substantial investments that Felman made since 2006 to upgrade and modernize the plant, folks were gleaming with pride and the hope that the future was bright.

Since that time, Felman has been under assault by imports from Australia — and I understand the U.S. Commerce Department has already found that Australia was dumping. The surge in Australian imports from 2012 to 2013 caused Felman to idle its plant and begin laying off workers in June 2013. While Felman restarted operations in July 2014, its production levels remain a fraction of what they could be in the absence of dumping from Australia.

As the Commission observed in its preliminary determination, indicators of domestic industry performance “were almost uniformly negative” during the period of investigation. The industry is, if anything, even more vulnerable today. This year, silicomanganese producers will

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need to commit millions of dollars to upgrade their facilities to comply with enhanced environmental standards that take effect in mid-2017. Without the ability to compete on a level playing field, it is hard to see how these companies can justify these significant new investments.

I am a believer in free trade and free trade agreements that open foreign markets for U.S. exports and foster greater efficiencies for U.S. consumers. But I am also a believer that companies need to play by the rules. When countries start dumping their product into the United States and injure our producers and workers in communities like Mason County, we need to enforce our laws and ensure a level playing field. Felman and Eramet deserve the chance to compete in a fair environment, and that is exactly what U.S. law provides.

There are hundreds of workers in West Virginia that will be directly or indirectly impacted by your decision. The future welfare of these people depends on the effective enforcement of our antidumping laws. The future of the U.S. ferroalloy industry is also at stake. I, for one, believe that we need a ferroalloy industry in the United States, just as we need a steel industry in America.

Thank you for the chance to discuss the importance of this case.