



**Statement of Jim Charmley
Chairman of the
Committee on Pipe and Tube Imports (CPTI)
President & CEO of Bull Moose Tube Co.**

**Congressional Steel Caucus Hearing
On
“The State of the Steel Industry”**

Thursday, March 5, 2020
8:00 to 10:00 AM
2020 Rayburn House Office Building

COMMITTEE ON PIPE & TUBE IMPORTS (CPTI)
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Good morning to Chairman Lamb, Vice Co-Chairmen Bost and Crawford, and the distinguished members of the Congressional Steel Caucus.

My name is Jim Charmley, and I am President and CEO of Bull Moose Tube Company. Bull Moose Tube is one of the nation's largest producers of steel pipe and tube products. As a family-owned business established in 1962, Bull Moose is one of the fastest-growing pipe and tube companies in the market. Headquartered in Chesterfield, Missouri, we employ over 500 workers at our facilities in Arizona, Georgia, Illinois, Indiana, Missouri, and Ohio. Our company is proud to be part of these communities, and today we continue to make investments in these facilities to serve our customers throughout the country.

This morning I am pleased to appear on behalf of the Committee on Pipe and Tube Imports (CPTI), the nation's leading trade association for the U.S. pipe and tube industry. CPTI members make an array of carbon and stainless-steel pipe and tube and fittings products. CPTI member companies span the country. We are in 33 states and 94 Congressional districts and today employ over 37,000 employees. These companies manufacture a variety of carbon and stainless-steel pipe and tube products used in our agricultural, automotive, construction, defense, energy, fire protection, and transportation sectors. The industry is an essential customer of the nation's steel industry - in fact, many of the companies who are on this panel today are suppliers of flat-rolled and long products to the industry.

At the CPTI's winter meeting last month, one of the topics we discussed was the Steel Section 232 program and the positive impact it has had on the industry. As we enter into the second year of the program, I can speak on behalf of our industry when I state that without the imposition of the 232 tariffs and the quota program, the industry would have faced dire circumstances as a result of unrestrained imports

of unfairly traded steel pipe and tube products. In fact, pipe and tube imports surged in the first half of 2017 and continued to increase up to the time of the 232 announcements, taking more than half the U.S. market. Between 2017 and 2019, pipe and tube imports into the U.S. fell by 2.1 million tons. This decrease has certainly allowed the domestic industry to regain its footing in the market. It is apparent to me that the proactive steps taken by the Administration have led to economic recovery in our industry. In fact, over the past two years, our company has made capital investments that have resulted in product enhancements and job creation. We have been able to invest in new products that will further our value creation to our customers.

The industry welcomed the passage of the U.S. Mexico Canada Trade Agreement (USMCA), and we look forward to the final steps of ratification by Canada in the coming weeks.

The CPTI supported the objectives of the USMCA. We were pleased to see the inclusion of enhanced enforcement and rules of origin provisions as well as a surge provision to address import surges from Canada, Mexico, and the United States.

CPTI member companies have carefully monitored imports from Mexico and Canada since the Sec. 232 tariffs were removed in May 2019. Canada is the largest steel and aluminum exporter to the U.S., and Mexico is the second-largest steel exporter to the U.S. While we recognize the benefits of open trade across our Northern and Southern borders, we want to make sure it is fair. We are concerned about the recent surges of certain pipe and tube products from Mexico. If left unchecked, these imports could take an even greater share of the U.S. market resulting in job losses for domestic producers. Import surges are a severe issue for the CPTI, and we plan to engage with the Administration to ensure that any anomaly or surge in imports is

addressed through the 232 surge provisions that were encompassed in the agreements to remove 232 duties.

The CPTI also supports Phase I of the U.S. China Trade Agreement and believes that the agreement is an essential first step in advancing U.S. China trade relations.

Of equal importance is our support for the continuation of the global dialogue on ending global steel overcapacity.

China continues to advance a government-led directive to expand the country's steel sector – and it is critical that the U.S. remains committed to the objectives of the Global Steel Forum (GSF) on overcapacity, particularly in China. Congress has also expressed their support for continuing these negotiations, and we thank you for your leadership on this issue.

The CPTI will continue to support broad and comprehensive trade agreements that will benefit the U.S. manufacturing sector and its workers. The success of any agreement depends on the ability to enforce its principles. This same applies to the enforcement of U.S. unfair trade laws.

The CPTI is a strong supporter of the trade laws because they are the tools used by companies to challenge unfair trade. Over the past 30 years, companies in the CPTI have filed over 100 cases and have often received relief. The relief gives the industry and its employees the opportunity to continue to compete and to win. We also recognize the importance of customs enforcement provisions, which are administered by U.S. Customs and Border Protection. So, we thank the Steel Caucus and those in Congress who have supported customs enforcement legislation.

As Congress moves forward in the second session of the 116th Congress, the CPTI asks that the Caucus support these measures that we believe will reinforce the foundation of the domestic steel sector:

1. Support legislation that will enhance U.S. trade laws to ensure import sensitive sectors can obtain relief through enforceable remedies.
2. Support legislation to enhance customs enforcement measures adopted in the Trade Facilitation and Trade Enhancement Act (TFTEA) of 2016 that will end chronic fraud, circumvention, and evasion
3. Support reauthorization of a national infrastructure program that will restore, rebuild, and design a 21st Century Infrastructure program in the U.S. Doing so will result in higher demand for domestic steel products made by U.S. workers.
4. Support continuation of domestic preference programs for steel products in national infrastructure, public works, and transit projects
5. Support full funding of U.S. trade agencies charged with administering the U.S. unfair trade laws (Commerce) and customs enforcement (DHS and CBP)

Over the years, this Caucus has provided exemplary leadership on issues of importance to the industry, its workers, and the communities we serve. I believe that the industry is in a better position than it was a few years ago – much of this is a result of the work done by this Caucus, your colleagues in Congress and the Administration. We need to keep moving forward, and I believe the best approach is to collaborate on common issues of interest that result in economic growth and security for the domestic steel and pipe and tube industry. As my predecessor said at a previous briefing, "Whether it is pipe used to transport oil and gas or structural tubing used in the construction of a skyscraper, our products are needed here as we rebuild the country." I agree, and I know

that with the support from this Caucus along with others in Congress, we can not only reach but exceed our goals and objectives.

We would also like to recognize Caucus Member and former Chairman Rep. Peter Visclosky (D-IN) for his support and dedication to the industry and its workers during his tenure in Congress. Rep. Visclosky ... you were a leader on the Steel VRA program, you were a stalwart supporter of the Steel Sec. 201 and 232 program, and your dedication to the U.S. steel sector has been evident in your leadership and support of the Buy America program which has benefitted companies and workers across the country. Thank you for a job well done!!



Executive Bio Profile

Jim Charmley

Jim Charmley is President and CEO of Bull Moose Tube Company located in Chesterfield, Missouri. Bull Moose Tube is one of the nation's premier manufacturers of steel pipe and tube products and operates seven facilities in the United States and Canada. Mr. Charmley was appointed President and CEO in 2017 and previously served as Vice President of Operations at Bull Moose. As Vice President of Operations, he was responsible for the company's seven plants and implemented new strategic programs including streamlined manufacturing processes that improved efficiency in the production of pipe and tube products. Prior to his time at Bull Moose, Mr. Charmley served in a variety of leadership positions at the Timken Company. Mr. Charmley obtained his Bachelors' and Masters' degrees in Mechanical Engineering from the Massachusetts Institute of Technology and completed an Executive Management Program at the Darden Graduate School of Business Administration at the University of Virginia. Mr. Charmley resides with his family in St. Louis, Missouri.