



**Statement of Andy Annakin, Chairman
Committee on Pipe and Tube Imports (CPTI)
Executive Vice President and Chief Commercial Officer
Bull Moose Tube**

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

**Wednesday, June 7, 2023
8:00 to 10:00 AM
360 Cannon House Office Building
U.S. House of Representatives
Washington, D.C.**

**Committee on Pipe & Tube Imports (CPTI)
900 Seventh Street, N.W. - Suite 500
Washington, D.C. 20001 – 202-223-1700**

Good morning, Chairman Crawford, Vice Chairman Mrvan and distinguished members of the Congressional Steel Caucus. Thank you for inviting me to testify this morning.

My name is Andy Annakin and I am the Chief Commercial Officer of Bull Moose Tube, one of the nation's leading producers of carbon steel tube products headquartered in Chesterfield, Missouri. Bull Moose employs 580 teammates across facilities in Casa Grande, Arizona, Trenton, Georgia, Blue Island, Illinois, Elkhart, Indiana, Gerald, Missouri, and Masury, Ohio. Our company's newest investment is a 350,000 ton per year structural and sprinkler pipe mill located on the campus of Steel Dynamics newest mill in Sinton, Texas.

Our company is proud to be part of an innovative domestic steel pipe and tube industry that has been a driving force in our nation's manufacturing for over a century. The other domestic producers have also made significant investments in facilities over the past few years in Arkansas, Indiana, Kentucky, Ohio, Oklahoma, Texas, and Wyoming.

This morning I am pleased to appear as Chairman 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, tube and fittings products. Today our member companies are in 32 states and in 132 Congressional

districts with 38,000 employees across the country. The industry is an essential customer of the nation's steel industry - in fact, many of the companies on today's panel with me are suppliers of flat-rolled and long products to the pipe and tube industry.

Historically the industry has been challenged by unfairly traded imports of pipe and tube from across the globe. Utilizing legacy U.S. unfair trade laws, the industry has filed over 200 antidumping (AD) and countervailing duty (CVD) cases in the past four decades that provided relief to the industry and its workers. Today there are a total of 668 AD/CVD duties in place of which 85 cover steel pipe and tube products. Our industry was at rock bottom in 2017 when imports took two thirds of the market. The imposition of the Steel Section 232 program along with existing AD and CVD orders directly caused import penetration to begin to fall. The industry supports Sec. 232 and urges the Steel Caucus to continue its engagement with the Administration to retain the program along with properly enforced quotas and tariff rate quotas (TRQ) to level the playing field for the industry. In the past two years imports have slowly crept back and at the end of 2022 import penetration was back up to 40% of the market. In recent months we have seen increases in a variety of imports including those used in the construction, energy, transportation, and infrastructure sectors. In addition, the domestic companies who make steel conduit products have weathered their own storm due to surging imports from Mexico that have negatively

impacted the industry and resulted in a plant closure at a California facility – causing job losses for hundreds of employees. *We thank the Caucus for sending the letter to the Administration in May on this very important matter.*

The CPTI has also engaged with the Administration on the U.S. EU dialogue on the Global Arrangement to reduce carbon emissions in global steel production and restore market-oriented conditions. As these negotiations move forward, we are aware that the EU announced in April this year that they will institute a Carbon Border Adjustment Mechanism (CBAM) in January 2026 with reporting commencing this year. This new policy covers aluminum, cement, **steel**, fertilizers, hydrogen, and electricity. As reported by the EU “this is a landmark tool that will put a price (tariff) on the carbon emitted during the production of carbon intensive goods that are entering the EU.” At the recent CPTI annual meeting members discussed this new EU policy and we all agreed that Congress should explore legislation that would level the playing field on entries of high carbon imports by enacting legislation that imposes a cost to imports of high carbon emitting steel products. This is necessary to prevent carbon leakage in the form of an import surge into the U.S. when the EU, UK and Canada impose carbon tariffs.

On a more positive note, the CPTI has been working with Congress and key agencies on the implementation of the Inflation Reduction Act of 2022 (IRA). This historic legislation provides an opportunity for our producers to serve the renewable energy market in the solar and wind sectors. The Department of Treasury's Internal Revenue Service (IRS) issued guidance earlier in May on bonus tax credits as they pertain to procurement of domestically manufactured products including products made of iron and steel. Our industry makes a number of the products for this renewable sector, including the torque tube used in solar trackers and other steel products used in the installation of solar projects. We are concerned that there may be a difference in interpretation as to the requirements for procuring U.S. made steel products and would welcome engagement from the Caucus to inquire with Treasury, Department of Energy and the White House for clarification. It is disconcerting to me that the provisions as described in the IRA that are intended to ramp up domestic production and create new jobs in the U.S. could be used to only benefit foreign workers and foreign products.

As Congress and the Steel Caucus moves ahead in the 118th Congress we would like to highlight a few of our priorities:

The CPTI is a strong supporter of the trade laws and we remain committed to working with Congress and the Administration to develop and advance legislation that will provide tools to challenge unfair trade practices and customs fraud – this includes our support for:

1. Leveling the Playing Field Act 2.0 - legislation that will be introduced soon to strengthen trade laws that are used by our industry and workers to challenge unfair trade.
2. Trade Cheats Act, H.R. 2667 – focusing on identifying parties that purposely evade AD/CVD duties and providing remedial benefits to impacted industries.
3. Support enforcement of the Buy America program for national infrastructure projects and of the tax credit provision of the Inflation Reduction Act (IRA) for domestic steel products (45X).
4. Support full funding in Fiscal Year 2024 for the U.S. trade agencies charged with administering the U.S. unfair trade laws (Commerce) and customs enforcement (DHS and CBP).

For over four decades the Congressional Steel Caucus has paved the way in the development and enactment of legislation that has led to a stronger, stable, and innovative domestic steel industry. Our industry remains resilient and with your ongoing leadership and support we can continue to grow. The CPTI looks forward to closely working with you in the 118th Congress.

Bio Profile of Andy Annakin, Bull Moose Tube



Andy Annakin, Bull Moose Tube

Andy Annakin is Executive Vice President & Chief Commercial Officer of Bull Moose Tube. Andy joined Bull Moose in July 2020. He has over 30 years of sales leadership experience in the metals industry. Prior to joining Bull Moose, he was Director of Plate Sales at Olympic Steel; Vice President of Sales & Marketing at CMC Impact Metals; and General Manager of Sales at Wheeling-Pittsburgh Steel. His experiences at both mills and distributors have provided him unique insights in building winning partnerships between the two. Andy earned a Bachelor of Science degree in Business Economics and an MBA in Finance and Marketing from Indiana University. Mr. Annakin serves as CPTI Chairman for 2023-2024.