

Testimony of
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"Global Steel Industry Situation"
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Assistant U.S. Trade Representative Jim Sanford and members of the panel, I want to thank you for taking the time to examine the state of the global steel industry, the issue of global overcapacity in steel, and for inviting me to testify on behalf of the thousands of workers, who, like me, are unable to work because of the current crisis.

My name is Tim Davis. I have worked as a crane operator at Cascade Steel Rolling Mills in McMinnville, Oregon for the past two years. I am proud to work alongside my father, who has worked there for over 30 years. And, as Vice President of United Steelworkers Local 8378, it is an honor to represent the hard working individuals at Cascade.

At Cascade we make rebar of various sizes and lengths as well as coiled steel wire and flat bar. All of our steel is made from recycled scrap steel. We ship our products all over the western United States and we export all over the world from Canada to Guam.

As a crane trainer and operator, my typical day involved moving newly made rebar from the finishing mill into storage bays to await shipping out, and then loading any trucks or railcars that come into the facility to pick up product.

Due to the amount of coiled wire and rebar that is currently being dumped into our market, Cascade has been reduced from a facility churning out steel 24 hours a day, seven days a week, to only running four to five days a week, depending on what orders have come in. This steep reduction in output has led to the layoffs of over 70 workers,

myself included, and a freeze in hiring summer help from the local college. Our manufacturing capacity dropped 15 % from around 75% to 60%. This layoff has been hard on me and my family as we work to make ends meet.

We have had to significantly reduce our standard of living and change our life styles to reflect the loss of my income. Our kids don't understand why we had to start shopping at discount and second hand stores, or why we are buying different brand groceries that don't quite taste the same.

The kids both need braces and we just had to take over \$3,000 out of our savings to pay for the first step of my daughter's dental care plan, just for a spacer she will have for the next 3 months. After those 3 months it will be over \$4,000 for the next step. That is money that we have no means to replace in our current financial situation.

My community is suffering from the import crisis and from global overcapacity in steel. According to a 2009 survey from the Oregon labor department, every 1 job at Cascade steel creates 4 jobs in the local community. With currently 70 workers laid off, 280 local jobs in my community are at risk.

In addition to the layoffs at Cascade, another large employer, SP Fiber Technologies, permanently closed and laid off its 200 employees. This has made the economic activity generated by Cascade even more important. Between SP Fiber's closure, and the layoffs at Cascade, my community is really hurting.

A close friend of mine owns Mikey's Pizzeria and has told me that his business in the last quarter has declined 29% since the same quarter last year. If something doesn't turn around, he will be forced to lay off workers. Other local businesses will follow, adding to the negative spiral of layoffs and reduced spending that is crippling McMinnville.

I love my job and wake up every morning hoping to hear the phone ring, calling me back to work. I love the feeling of the crane controls in my hands. I love the people I work with and how they've become more of an extended family than simply coworkers. I miss being able to provide everything my family needs. I miss the security of knowing that when something like a dental bill for one of my children comes in, I will be able to pay it.

Cascade Steel isn't just a job to me, it helped raise me. The pay checks my dad received from working there when I was growing up allowed me to participate in sports while I was in school, paid for our family vacations and ensured that I had a roof over my head and food on the table. I want that for my family. I want to know that as long as I work hard to provide for my family that they can have the same childhood I did thanks to my dad working hard at Cascade Steel.

If we continue down this path of apathy toward American manufacturing and continue to consciously outsource American manufacturing jobs, we will become a nation of service and retail workers. We will not create, build or manufacture anything on our soil because it will be cheaper to import foreign products that are poorly made by cheap

labor. We are now seeing the effects of years of allowing low cost, low quality foreign made products to flood our economy.

It angers me that while the workers in my community suffer, we reward companies overseas for practices that would be considered illegal here by funneling US dollars back into their countries. Everyone in this room knows some of the reasons why many of these foreign imports are so cheap are because of unsafe working conditions, environmental practices which are unacceptable, and subminimum pay for workers.

I implore this committee to consider the true cost of allowing terrible policies and bad trade agreements to continue destroying the very thing that made this country what it is. We became the strongest, most powerful country in the world because American blue collar workers carried us there on their backs on their quest to achieve the American Dream. Each and every unfair trade deal we jump into is destroying the legacy that our forefathers created with sweat on their brow and calluses on their hands.

I am proud to follow in my father's footsteps in the manufacturing industry and I would hope that my children would be proud to follow us if that is what they choose to do, but for that to happen there needs to be an American manufacturing industry around for them to do so, and at the current rate of American factories closing their doors for good I'm concerned they won't have that option. At this pace the only options my kids will have is college, the military or working at a retail store that was built with foreign materials, selling foreign made products, and then bagging purchases up in foreign made bags.

I thank you for your time today and I hope that you will all consider the true cost that poor policies and unfair trade deal have on our workers, their families, our communities and our future generations.