



# United States Steel Corporation

**Testimony of**

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**before the Congressional Steel Caucus  
hearing on “The State of the Steel Industry”  
March 27, 2019**

On behalf of the nearly 28,000 men and women of the United States Steel Corporation, thank you for convening today’s hearing on the “State of the Steel Industry.”

Your bipartisan leadership has proven critical to helping level the playing field for the U.S. steel industry and confronting the threats posed to the industry’s long-term capacity to provide a strong foundation for our Nation’s economy, security, infrastructure, energy independence, and manufacturing industries.

Last year’s March Caucus hearing took place just two weeks after the President signed the Section 232 national security action on steel imports. The policy would not take full effect until July, yet positive impacts occurred swiftly and continue to today.

Jobs are returning. U.S. steelmaking capacity is reviving. The U.S. steel industry is able to innovate and invest to modernize and strengthen our operations and our ability to supply America’s demand for steel. The Section 232 national security action on steel imports is a success and must be kept strong.

U. S. Steel has been at the forefront of this ongoing renaissance over the past year:

- In Granite City, Illinois, we’ve restarted two blast furnaces and steelmaking operations that had sat idle since 2015. Today, there are 800 skilled workers again making steel – up to 2.7 million tons per year.

- In Gary, Indiana, we announced an investment of at least \$750 million in our steelmaking assets – part of a \$2 billion company-wide asset revitalization program.
- In Lone Star, Texas, a tubular mill shuttered permanently in 2016 is being brought back to life. By this Summer, 140 new workers will be producing high-quality products for American oil and gas producers.
- In Fairfield, Alabama, the community is celebrating resumed construction of an electric arc furnace (EAF) with an annual capacity of 1.6 million tons. This project was placed on hold in 2015, with 75% of the equipment sitting in boxes for over three years. 600 workers will build U. S. Steel’s first EAF, and 150 new full-time workers will be hired to operate the facility.
- In Leipsic, Ohio, construction of a \$400 million continuous galvanizing line will be completed this Summer with the ability to produce advanced high strength steel for automakers to build cars, SUVs and trucks that meet federal CAFE fuel efficiency standards without sacrificing the strength of steel.
- We’re hiring at each of our operating locations. At the Mon Valley Works, east of Pittsburgh, Pennsylvania, we hired over 400 new workers in 2018.

U.S. workers and their families are benefiting directly. Late last year, a new four-year Collective Bargaining Agreement with 14% wage increases was negotiated with the United Steelworkers. Non-represented U. S. Steel employees have received unprecedented financial performance awards and an expanded employee benefit package that was featured in a Washington Post article last week.

We also continue to invest in projects to benefit our shared environment. In 2018, U. S. Steel dedicated \$350 million to improve our environmental performance. We’ve made real achievements and contributions to a cleaner, healthier shared environment – and U. S. Steel is committed to doing more in the communities where we work and our employees live.

Restarts, rehires and reinvestments in our people and facilities are tremendously positive news – yet this should be viewed for what it is: a recovery. For thirty years, we’ve been in a

trade war. Deep damage has been inflicted by floods of foreign steel into our open market. Don't forget that it was just 2015 and 2016 when thousands of steelworkers were being laid off and American mills were being idled and even demolished.

The Section 232 is having a positive impact, but the U.S. steel industry is still vulnerable. Now is not the time to blink. The Section 232 must continue to be applied to all steel producing countries, especially the top import sources – whether that is a tariff or hard quota. Even our best allies and their steel producers have been found to dump and subsidize steel imports into the USA, and they can be conduits for foreign steel from China, Russia and elsewhere. If the Section 232 doesn't apply everywhere, it's nowhere as border leaks will continue from global excess capacity.

No one should be lulled into thinking the job of the Section 232 is complete because the U.S. industry has touched an 80% capacity utilization level for a few weeks – a level it hasn't reached in a decade. This is not a temporary peak to be climbed, celebrated and abandoned – it's a plateau to be sustained as the bare minimum level necessary for the industry to survive to make additional investments to modernize so it can supply our country over the long-term.

As U.S. steelmaking recovers and rebuilds with the Section 232, American manufacturing is thriving and the overall economy is growing. GDP grew at over 3 percent in 2018. The unemployment rate is low, at one point last year hitting the lowest level in 50 years. Blue collar jobs in mining, construction and manufacturing grew at the fastest rate since 1984 between July 2017 and July 2018. According to the Manufacturing Outlook Survey, over the past nine calendar quarters, an average 91.8% of respondents have a positive outlook for their company.

The steel Section 232 is clearly working and allowing the U.S. steel industry to stabilize, invest, innovate and grow – which makes our country and economy strong. I encourage each member of the Caucus to continue to support the steel Section 232 and the hardworking Americans mining, melting and pouring steel in the USA to strengthen our national and economic security. Please don't blink. We cannot permit our great Nation to become dependent on foreign sources of steel to defend, build and power our country. We must continue to keep America steel strong.