



**Congressional Steel Caucus
Testimony of John Ferriola
Chairman, Chief Executive Officer & President, Nucor Corporation
March 27, 2019**

Chairman Lamb, Vice Chairman Crawford and Vice Chairman Bost, on behalf of our 26,000 teammates, I would like to thank you for the opportunity to speak to you today. I am John Ferriola, Chairman, CEO & President of Nucor Corporation. Nucor is the largest steel producer in the United States and North America's largest recycler.

2018 was a tremendous year for Nucor. We posted our highest earnings in company history, and also set records for revenue generated and tons of steel shipped. Our record performance was fueled by the strong U.S. economy, which posted its best fourth quarter to fourth quarter growth since 2005 and drove steel demand higher. Tax reform and regulatory relief took a good economy at the end of 2017 and made it even better.

The Section 232 steel tariffs also played an important role by helping provide a level playing field for the steel industry. And the tariffs are working! Steel imports were down by more than 4 million tons last year, with 90 percent of the decrease taking place after the tariffs were fully implemented. Lower imports and increased demand led to higher U.S. capacity utilization and 5-6 million tons of additional U.S. production.

While there has been a lot of debate in Washington and in the press about the tariffs, people around the country and in our industrial communities know that the President got it right! They know other countries have been cheating and that a healthy steel industry is vital for our national security.

Doomsday predictions about the tariffs have failed to materialize. Just look at the statistics -- last year was one of the best for U.S. manufacturing in a long time. Profits for the sector were the highest they have been in the last 20 years. Manufacturing had its biggest net jobs gain since 1997. Blue collar wages are up, and unemployment is at a 50-year low.

A level-playing field and strong economy are directly benefitting our Nucor teammates' wallets. Because a significant percentage of our teammates' compensation is based on how many tons of steel they safely produce, our record steel shipments last year meant that our teammates took home bigger paychecks. On top of that, our teammates' profit-sharing checks totaled a record 308 million dollars. And in recognition of our record year and the tremendous contribution of our team, every one of our teammates – except the executives – received an extraordinary bonus of 2,000 dollars.

We believe 2019 will be another good year. Twenty-three of the twenty-four end markets we monitor are stable or growing, with several at the very beginning of their up-cycle.

Our optimism is reflected in capital investments we're making here in America. Nucor has announced 10 growth projects – including 3 new steel mills – that represent a total capital investment of approximately 3.5 billion dollars. These projects will begin operations over the next three years, creating nearly 1,600 direct jobs and at least another 8,000 indirect jobs.

This year alone, 6 of these projects are coming on line, including:

- a new rebar micro-mill in Missouri;
- a galvanizing line at our Kentucky sheet mill;
- a specialty cold mill in Arkansas;
- an upgraded rolling mill in Ohio; and
- our merchant bar expansion in Illinois.

The benefits of a healthy steel industry extend well beyond our company and teammates. The true impact can be seen in the communities where we operate. Our teammates actively volunteer in their communities, raising money for local children's hospitals, food banks and schools, serving on boards of community organizations and building "Wounded Warrior" housing for disabled veterans.

We appreciate the support and leadership of the Congressional Steel Caucus. You've heard me argue that we can compete with any steel company in the world if we have a level playing field, and today we are proving just that. We look forward to continuing our work together so that our investments are sustainable for future generations.

Thank you.