



ArcelorMittal

Statement of John Brett
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Congressional Steel Caucus
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Good morning, Chairman Lamb, Vice Chairmen Bost and Crawford, and Members of the Caucus. Thank you for the opportunity to appear before you today. We at ArcelorMittal are deeply grateful for what this organization has accomplished on a bipartisan basis for so many years.

I would like to take this opportunity to especially thank Congressman Pete Visclosky for all that he has meant to this industry, this Caucus, and ArcelorMittal. We operate around the country, but since our highest concentration of employees live and work in the First District of Indiana (myself included), we've proudly considered him our "hometown" Congressman. We are thankful for his 35 years of service to our country and to steelworkers and their families in Indiana and across the nation.

Mr. Chairman, the last two years have been a rollercoaster for ArcelorMittal USA. As I testified last year, 2018 was our best year financially since 2007. We hoped to stay on that path in 2019 but the steel market took a challenging turn as consumption of our core products dropped 4 percent. Declines in auto production, service center purchases and construction all contributed to a drop in our business performance. Consequently, average Hot Band prices plummeted by \$230 per ton to a price lower than pre-Section 232 levels.

We began 2020 with a more optimistic outlook. We thank you for passage of the United States-Mexico-Canada Agreement. The USMCA will be a welcome spark to demand as it leads to increased use of American steel in North American auto production.

We are also grateful for President Trump's section 232 action which has resulted in a steady decline in steel imports since the second quarter of 2018. Finished steel imports fell to 21 million tons in 2019, their lowest level since 2010, and lowest market share since 2003. U.S. companies are regaining customers lost to imports as a result.

I sometimes hear questions about the value of the section 232 actions in light of the industry's diminished performance in 2019. Mr. Chairman, history has shown that, when the U.S. economy is stronger than the global economy, steel flows to our shores. Just look at the aftermath of the Asian financial crisis – imports surged into the U.S., 33 steel companies filed for bankruptcy, and thousands of steel workers lost their jobs. I can safely say that having the section 232 tariffs and quotas in place is more important than ever.

We, and our customers, are facing great uncertainties in the marketplace right now, driven by fears of a downturn in the economy, the threat of a global pandemic, and the daily buzz of a national political campaign. The solution, in our view, is **a renewed focus on the demand side of the equation.**

America desperately needs a national infrastructure bill that will deliver real money, in real time, to create and protect real jobs.

I know that each of you recognizes the need for infrastructure investment in our country. The problem, of course, is how to pay for it. For years, the steel industry has advocated for a user-based funding mechanism, such as revamping and indexing the federal gas tax, which historically was the most efficient way to pay for new roads, bridges, and railways. If there is a better way, then let's get it on the table.

The USMCA was an impressive bipartisan victory. We urge you to follow this success with bipartisan passage of comprehensive infrastructure legislation.

Thank you, Mr. Chairman. I look forward to answering your questions.