STATEMENT OF MR. CHRISTOPH LACKINGER
PRESIDENT AND CEO, THYSSENKRUPP STEEL USA, LLC

CONGRESSIONAL STEEL CAUCUS HEARING
THURSDAY, MARCH 25, 2010

Introduction

Congressman Visclosky, Congressman Stupak, and members of the Congressional Steel Caucus, I thank you for giving us the opportunity to submit a statement for the record regarding ThyssenKrupp Steel USA’s operations in the United States and the positive impact we will be making as a partner in the domestic steel industry.

Expanding Our American Manufacturing Footprint

The selection of Calvert, Alabama as the site of ThyssenKrupp’s new $5 billion dollar steel and stainless steel processing facility continues a long and proud history in the United States dating back to 1837, when our predecessor company provided prototype coin minting machines to the Philadelphia Mint. Just 11 years later, Buffalo and New York Railway Company purchased our rail axles that had initially been tested by the Pennsylvania Railway Company. At the present time, ThyssenKrupp operations can be found in 40 of the 50 states, and account for over 17,000 jobs and annual sales of $6.5 billion.

When the steel processing facility becomes operational in spring 2010 and our partners at the stainless facility follow suit later this year, we will provide high-quality, value added products to the automotive, service center, pipe and tube, appliance and construction industries. The combined 7 million square feet of manufacturing space on a site totalling 3,700 acres will include a carbon steel hot strip mill, cold rolling mill, and four hot dip galvanizing lines, along with an additional cold rolling mill and melt shop
utilized by our partners on the stainless steel side. With a supporting infrastructure that includes river and rail cargo terminals, our total production of high-quality products will be 4.1 million metric tons of carbon steel and up to 1 million metric tons of stainless steel.

**Economic Impact**

The announcement in 2007 of our decision to construct a new greenfield facility in south Alabama came after an intensive review of 67 sites in 20 states. Our project represents the largest investment in this country in the past several years. The direct economic impact has been substantial, and includes:

- **Awarding Contracts:** ThyssenKrupp Steel USA has awarded over $700 million in contracts with companies based in the Southeastern U.S., and when combined with ThyssenKrupp Stainless, this investment totals over a $1 billion in that region alone. Additionally, ThyssenKrupp Steel USA has invested over $620 million with companies based in our home state of Alabama. Combined with the additional investment of ThyssenKrupp Stainless, Alabama companies have benefited through more than $750 million in construction-related contracts.

- **Creating Jobs:** During a historic time in which we have all witnessed the sharp downturn in our economy, the elimination of millions of jobs over the past three years, and domestic manufacturing suffering, our new steel and stainless steel facility has provided a tremendous boost to Alabama and the region. In fact, we have been able to continue this project without any changes to the original scope, construction, or hiring numbers. At a time where the outsourcing of jobs continues to be a major concern, ThyssenKrupp Steel USA is employing 1,800 people and ThyssenKrupp Stainless is employing 900 people with the combined impact of 2,700 well-paying jobs in the Gulf Coast region when both companies are fully operational – positions in plant operations and management, maintenance, engineering, administration, equipment operations, logistics, and production function. Additionally, there are an estimated 29,000 jobs that have
been provided during the construction phase and the projected 52,000 jobs it will create in future years for end users and suppliers. Whenever possible, we recruit and hire our employees locally and from within the region.

State-of-the-Art Environmental Protection

ThyssenKrupp Steel USA is committed to utilizing the most modern and environmentally-friendly technologies available and has maintained that position throughout the construction of the Calvert manufacturing site. We have coordinated closely with federal, state and local officials and environmental interest groups, and we have been able to demonstrate throughout our commitment to promoting recycling, the conservation of resources, and the reduction of carbon dioxide and greenhouse gas emissions. Our state-of-the-art facility utilizes best available control technology and energy recovery technologies, designed to lower the CO2 footprint even more.

Our Calvert facility uses a closed loop systems for the water and chemical processes. Utilizing rainwater to offset evaporation, our hot strip mill will recycle process water an average of seven times, reducing the amount needed for the manufacturing process. In addition, our cold rolling mill will utilize a $30 million acid regeneration facility that recycles process acids and reduce wastes to nearly 100% reusable by-products.

Conclusion

We at ThyssenKrupp Steel USA are proud of the fact that, despite these challenging economic times, have moved forward with a $5 billion facility that has been beneficial for Alabama and for the entire Southeastern United States. This new steel and stainless steel facility has resulted in thousands of outstanding American jobs, billions of dollars in contracts for small- and medium-sized businesses, and an overall economic impact that will benefit our employees and many future generations of Alabamians. We remain on track to begin production later this year.
Everyone on our team looks forward to further strengthening the Alabama and North American steel industries in the years ahead, and we again thank you for having the opportunity to present this short statement.