Good afternoon,
Thank you for the opportunity to testify today.

My name is Chuck Schmitt, and I serve as president of SSAB Americas and current board chairman of the American Iron and Steel Institute. SSAB Americas is a major North American steel plate producer and processor operating in five states in the U.S and three locations in Canada. Our steel can be found in the infrastructure that builds and supports North America — in heavy machinery, military and commercial ships, wind and transmission towers, rail cars and more — playing a vital role in people’s daily lives.

A globally competitive national economy depends on steel. Our products meet the highest standards for excellence — with applications critical in the energy sector and transportation infrastructure — and provide the raw materials to defend America. Our people are highly skilled and operate the safest mills in the world. We are trusted employers who are active and invested in the communities in which we operate. Our industry builds value for shareholders, employees and our nation.

But our commitment to excellence and progress doesn’t stop there. American steel producers and our workers are helping the U.S. reach national and global energy efficiency and environmental sustainability goals. Today’s advanced high-strength steels allow for cars and trucks to be produced with much-improved performance and fuel efficiency. New steels are used in modern wind turbines, energy-efficient applications for buildings, machinery and equipment. Moreover, steel is 100 percent recyclable, and is recycled at a rate significantly more than plastic, glass and aluminum combined. At SSAB, we also recycle millions of gallons of water every year during the steel manufacturing process, and we utilize renewable electrical energy, specifically wind energy bought from MidAmerican Energy in Iowa through their certified renewable program. In fact, with the help and partnership of MidAmerican, we are the top user of wind energy in the state of Iowa, using sustainable power that is produced by MidAmerican’s advanced and efficient wind turbines, many of which were built using U.S produced steel.

But despite all of these great advancements in environmental stewardship, we live in a global market place, and it is an unfortunate fact that many countries still routinely subsidize energy prices for their steel industry. Many of these same countries have significantly weaker controls on emissions and environmental regulations. While the U.S. steel industry works every day to reduce the environmental footprint of our operations, producers in other countries are allowed to operate with little to no regard for the environment, and with the financial help from — and in many cases ownership by — their governments. This, simply, creates an unfair global market, and one in which it’s almost impossible for us to compete.

I urge the Department of Commerce and USTR to consider the net environmental impact that results when advanced domestic industries like ours are displaced by less efficient, less responsible plants overseas where environmental practices do not exist. The U.S. will not only be exporting investment and
jobs if we allow unfair trade practices to continue, we will also be surrendering enormous momentum in energy efficiency, innovation and technology. Domestic steel manufacturers offer the best hope and opportunity for a sustainable future, both in our products and in our manufacturing processes. The United States believes in a system of open trade subject to the rule of law, and domestic steel producers agree. But, American confidence in trade policies is contingent on strict enforcement of existing laws.

Those trade laws were strengthened in statute last year. Policymakers from both sides of the aisle recognized the need to hold rulebreakers accountable and provided tools to help us fight back. SSAB is pleased that recent preliminary investigations validated our claims on widespread dumping and extensive, unfair subsidization taking place. But, we also expect that final investigations and calculations will result in higher duties for identified countries. Without meaningful margins as effective deterents, the U.S. will continue to be a dumping ground for the massive volume of overcapacity that now exists in other parts of the world, particularly in China.

Trade remedy actions alone aren’t enough to solve this crisis. In order to restore value in our products and business decimated by unfairly and illegally traded imports, we must address the root causes of massive global overcapacity. Excess steelmaking capacity overseas wasn’t built overnight and shutting down 700 million tons of capacity won’t be easy; it requires urgent and sustained multilateral action to reverse course. We are depending on USTR and Commerce leadership in a global strategy – one that establishes and imposes market disciplines to eliminate surplus production and curb potential disruption through non-market behavior.

The public hearing today reinforces the importance of the American steel industry to our country’s economy and communities, and we appreciate this important forum being conducted to raise awareness about the steel industry’s plight. The responsibility that has been given to you signifies our government’s dedication to the hardworking men and women who produce steel. We know that with your help, our domestic industry can continue its world class leadership, providing the finest steel that our country demands, doing the work we love, and building the American dreams our families hold dear.