



EMBARGOED UNTIL 8:00 AM ON WEDNESDAY 21 MARCH 2018

Testimony of John Brett
President and Chief Executive Officer
ArcelorMittal USA
Congressional Steel Caucus
March 21, 2018

Good morning, Members of the Caucus. This hearing is most timely as the nation debates President Trump's recent action to fight steel imports that pose a national security risk to our country.

In that debate, I repeatedly hear two arguments put forth.

First, that China is not a problem for the U.S. steel industry, since it accounts for only a small portion of total steel imports into the United States.

And, second, that job losses in the steel industry are just the result of productivity gains and that steel imports don't have much of an impact on the industry's employment.

To those arguments, we on the front lines of the international steel trade war respectfully say, "No way!"

Here is the reality. China is by far the world's largest steel exporter. Fueled by government subsidies, its steel exports increased dramatically in the last decade, growing from less than 25 million metric tons in 2009 to 112 million metric tons in 2015. While this number has declined recently, China still exports more steel than the next 3 exporting countries—Japan, South Korea, and Russia—combined.

ArcelorMittal is the most global steel company in the world, as well as one of the largest in the U.S., and we see the threat of Chinese steel everywhere we operate—in the Americas, in Europe and elsewhere. As China dumps its steel in other markets, those producers suffer and look for alternatives—often in the United States. China's largest export market is South Korea. One of South Korea's largest export markets is the United States. That's the way the steel flows.

A steelworker who has been laid off doesn't much care if the steel coming in is stamped "made in China" or "made in Korea." The industry has aggressively used the trade remedy tools the Congress has provided. But they aren't fully doing the job. With our country by country remedies, we are playing "Whack-A-Mole" with global imports, and the mole is winning.

Members of the Caucus, I have spent the past 30 years in the American steel industry, and yes, thanks to incredible technological advances and the extraordinary hard work of the men and women of this industry, we do produce far more steel per worker than ever before. But I can tell you that the industry has been hammered year after year, and there is a finite limit to our ability to compete against unfair, subsidized steel with more technology and productivity. We cannot "invent" our way out of this challenge forever.

I also know that demand creates jobs. Yet despite the U.S. recovery from the Great Recession, steel employment hasn't recovered along the same trajectory, because imports have captured more of that demand growth than U.S. steel producers.

We greatly appreciate President Trump's decision to use his authority to adjust imports to make sure that the United States has a steel industry that can meet the national security needs of this country. As the largest producer of steel plate for armored vehicles and naval vessels, we are proud of the contributions we make to the national defense.

As a result of the Section 232 action, ArcelorMittal USA will be looking for opportunities to maximize our steel production and potentially undertake new investments to meet the needs of our customers. Our customers need our support, and your support, because these measures won't work if foreign steel just gets imported in a different form. But, with time, these measures should encourage U.S. investment, strengthen employment opportunities and improve the sustainability of the U.S. industry.

Thank you and I look forward to answering your questions.