



United States Steel Corporation

Testimony of

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before the Congressional Steel Caucus
hearing on the “State of the Steel Industry”

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On behalf of the nearly 28,000 men and women across the world who are proud to work for U. S. Steel, thank you for your bipartisan leadership in convening today’s hearing. Our President and CEO, Dave Burritt, regrets that he cannot be here in person to speak with you, and asked me to convey his appreciation for your continued support of the domestic steel industry.

U. S. Steel appreciates the opportunity to update the Congressional Steel Caucus on the current state of the steel industry and the significant strategic actions that our company has taken in the past year.

Global steel overcapacity continues to challenge world markets and the domestic industry. According to the OECD, global overcapacity is estimated to be over 440 million tons annually – which is more than four times the size of the entire U.S. market. It remains imperative that our government maintain strong actions against unfairly traded steel and that we never allow America’s steelmaking self-sufficiency to be undermined by imports. With the growing awareness of the risks posed by an overreliance on a global supply chain for products vital to our country’s security and well-being – let us remember the strength that steel provides our country. Steel is a critical foundation for our economy, security, infrastructure, energy independence and downstream manufacturing capabilities. We must maintain the ability to mine, melt and make the steel needed to defend, build and power our Nation.

Three days from today marks two years since (March 8, 2018) the President signed the Section 232 national security action on steel imports. This action continues to help the domestic steel industry weather the worst impacts of global overcapacity and unfair trade. Overall, imports have decreased in the past year, yet for several key product segments, such as tin mill and tubular, imports continue to capture over half of the U.S. market. As the Section 232 Investigative Report intended, this national security action on steel is spurring the U.S. industry to innovate and invest to modernize operations and strengthen our ability to supply America’s demand for steel, which in turn fortifies the future of the domestic steel-consuming supply chain.

U. S. Steel has announced multi-billion-dollar investments in the United States over the past year. U. S. Steel is advancing its strategy to become a world-competitive, “best of both” company by combining advanced integrated and mini-mill steel technology. The investments highlighting our “best of both” strategy include the \$1.5 billion state-of-the-art endless casting and rolling and cogeneration plants that will secure steelmaking for another generation at the Mon Valley Works in Pennsylvania, the more than \$750 million in the hot strip mill and other projects at Gary Works in Indiana, and acquiring 49.9% of Big River Steel in Arkansas last October, which is the first LEED certified steel mill in the world. U. S. Steel ultimately intends to acquire 100% of Big River Steel under the terms of our call option.

After investing over \$700 million, U. S. Steel is also nearing completion of both the new electric arc furnace under construction at our Fairfield Tubular Operations in Alabama and the new proprietary continuous galvanizing line that will produce advanced high strength automotive steels at PRO-TEC in Ohio.

At last year’s Caucus hearing, U. S. Steel’s CEO highlighted the restart of both blast furnaces and the return of 800 jobs at our Granite City Works in Southern Illinois. Granite City continues to supply high-quality products to customers across the country.

Each of these integrated facilities is supplied iron ore from U. S. Steel’s two mines in Minnesota. We are proud to produce steel that is mined, melted and made in the USA.

U. S. Steel continues to invest in our shared environment with a \$376 million investment in 2019. Last November, U. S. Steel also announced a goal to reduce our global greenhouse gas emissions intensity by 20 percent by 2030 based on 2018 baseline levels. We also continue to look at new steelmaking technologies that can further reduce carbon emissions as those technologies mature. We encourage the federal government to support research and development in these new technologies.

This past year has seen positive developments for U. S. Steel and for the overall domestic industry. However, we are still confronting real challenges and this remains a fight to recover from decades of deep damage inflicted by floods of foreign steel into our open market. The American steel industry remains vulnerable.

The Section 232 is serving a vital need and must be kept strong. A sudden weakening or dramatic change to the policy could result in a tidal wave of foreign steel swiftly undermining domestic production and jobs. Please be vigilant on Section 232, on fighting steel circumvention around the world, in maintaining strong measures against dumped and subsidized steel, and in seeking avenues to reduce global overcapacity.

We would also like to see the same bipartisan support for USMCA applied to federal infrastructure investment. This would boost the domestic industry and the Nation’s economic competitiveness. Enactment of a significant, long-term investment in our Nation’s core transportation and infrastructure would yield multiple benefits: increased steel demand for both construction materials and construction equipment, improved reliability and more efficient shipment of raw materials to our plants and products to our customers, and would stimulate

further capital investment that would ripple across the broader economy creating high-paying, enduring jobs. There is a tremendous need to both repair and modernize our infrastructure. We look forward to recognizing and applauding the bipartisan support for such a sustained investment. We encourage all members of the Congressional Steel Caucus to utilize their voice, influence and votes to help advance this shared priority into prompt reality.

Thank you again to Representatives Lamb, Bost and Crawford for your leadership of the Caucus – and we thank every member of the Congressional Steel Caucus for your work to keep America steel strong.