

Good morning. I am Barbara Smith Chairman of the Board and Chief Executive Officer of CMC, a Texas-based Fortune 500 company, with over 12,000 employees around the globe. I am honored to testify today on behalf of CMC and the Steel Manufactures Association, which CMC co-founded over 30 years ago. Today SMA is America's largest steel industry trade association in terms of steel production represented, industry employment and overall financial contribution to the U.S. economy.

First, I would like to thank the Congressional Steel Caucus' Co-Chairs – Congressman Rick Crawford and Congressman Frank Mrvan – as well as all members of the Caucus, for your unrelenting advocacy on behalf of the U.S. steel industry and our hardworking employees across our nation. We would not have made the progress we have without your leadership and support.

SMA member companies represent over 75% of America's total steel production. Our members use clean, energy efficient electric arc furnace steelmaking technology which uses recycled metal as its primary raw material producing the cleanest steel in the world. Steel is the single most recycled material in the world and is infinitely recyclable creating the circular economy required for low-emission steel production.

CMC was founded 108 years ago as a metals recycling company and has grown to be one of the most innovative and environmentally advanced steel makers in the world. Each year we gather, sort, upgrade and transform almost 20 billion pounds of scrap metal into new steel products which forms the backbone of our nation's infrastructure. Steel can be found everywhere, from the places we live and work, to the roads we travel as well as the vehicles that protect our soldiers, making steel a critical part of our economy and national security.

By utilizing our modern, efficient, and low emission micro and mini mills, the steel that CMC produces has at least 75% less embodied carbon than the exact same steel product produced by traditional steelmaking technology. Today's EAFs can and do produce a full range of steel products – products that people wrongly claim could never be produced in lower emission EAFs. At CMC our products are substantially lower in embodied carbon than both integrated producers and most EAF steel producers globally due to our continuous investment in innovative new

technologies. And we continue to make improvements to our world-class position every day.

However, as we sit here today, I can't help but be reminded of where the industry stood just 5 short years ago. It was on the brink of an economic crisis due to the unprecedented volumes of unfairly traded imports that were flooding our borders. Steel companies were laying off employees, reducing production and closing operations just to survive. The industry filed numerous trade cases with mixed results as countries continuously found ways to circumvent our outdated trade laws. The government stepped up and implemented the Section 232 tariffs, which leveled the playing field against the unfairly traded imports. The rationale was clear; a strong steel industry is critical to our nation's infrastructure, national security and economic success. It remains a huge risk for the US to rely on countries like China, Russia and others to provide the steel our infrastructure and national security requires.

Thanks to the actions taken, the U.S. steel industry rebounded and responded by investing over \$15 billion dollars in capacity expansion which has led to the hiring of thousands of additional employees, putting Americans back to work with high-paying manufacturing jobs. Recently, our industry has announced an additional \$9 billion in new investments over the next several years. This new efficient, green melting capacity is electric arc furnace based and EAF's will soon constitute about 80 percent or more of US production while the rest of the world remains 70% reliant on iron ore based integrated steelmaking. These investments in production capacity will ensure we have the steel to support our countries needs for infrastructure, manufacturing and energy.

At CMC, over the past 5 years, we have commissioned a new micromill in Oklahoma. In addition, we are in the process of commissioning a first of its kind merchant and rebar combination micromill in Arizona and have recently announced the construction of a new micromill in West Virginia totaling approximately 1.5 million tons of new steel production capacity and \$1.5 billion in capital investment. Your actions have provided the industry with a solid foundation that will continue to bring high quality manufacturing jobs back to America.

But our work is not done.

We continue to be threatened by imports that undermine our recent investments in the US economy. China continues to expand its Belt and Road Initiative, investing in steel production and processing in countries outside China to circumvent US trade law. The 232 tariffs have been weakened with the tariff rate quota mechanisms implemented with the EU, Japan and the UK. The new Global Arrangement, if not implemented properly, has the potential to allow high emission steel imports to enter the U.S. tariff free. At the same time, we are seeing massive surges of imports from our southern border which is not in compliance with the USMCA trade agreement.

We are at a critical juncture where we need up-to-date, common sense trade policy that looks out for the hardworking American steelworker. The United States' global adversaries and even some allies are taking advantage of our outdated trade laws. We need action now before we are faced with the same situation we found ourselves back in 2018.

I urge each of you to support the Level The Playing Field 2.0 legislation that was recently introduced in the House and Senate.

We are doing our part by investing in the industry's future and we must work together to provide the necessary tools to ensure a successful future for steelworkers and their families.

I thank each of you for this opportunity to testify and look forward to answering any questions you may have.