



Congressional Steel Caucus – Opening Statement – June 7th, 2023
Leon Topalian – Chair, President & CEO – Nucor Corporation

Chairman Crawford and Vice Chairman Mrvan, on behalf of Nucor Corporation's more than 31,000 teammates, thank you for the opportunity to speak today about the state of the American steel industry and the vital role we are playing in building out our nation's green and digital economies. My name is Leon Topalian, and I am the Chair, President, and CEO of Nucor Corporation.

The American steel industry is coming off two incredible years where we experienced robust demand for our products across a range of end-use markets. And we have tremendous opportunities in front of us. Policies adopted by Congress in recent years, with bipartisan support, have helped create an environment where our teammates can thrive. Members of the Steel Caucus have been at the forefront of advocating for these policies, and we thank you.

Vigorous enforcement of our nation's trade laws coupled with pro-growth tax policies have limited the impact of unfairly traded imports and have unleashed a wave of investment by the domestic industry. Since the beginning of 2020, Nucor is now more than two-thirds of the way through a \$14 billion CAPEX plan that is going to double our earnings potential from our pre-pandemic levels. We recently started

up a new state-of-the-art plate mill in Kentucky, and we have announced the addition of new steel mills in West Virginia and North Carolina.

We have also added new capabilities at several of our existing steel mills that position us to meet the demand for steel that will be generated by public and private investments in infrastructure, clean energy, and advanced manufacturing facilities producing semiconductors, pharmaceuticals, and EV batteries.

For more than 50 years, Nucor has been built on a sustainable model of recycling steel to produce new steel and steel products. Today, as the largest recycler of any material in the Western Hemisphere, we continue to push recycled steel into products never previously imagined. Our new plate mill in Kentucky will be among only a few globally – and the only American mill – capable of manufacturing at scale the heavy gauge plate for offshore wind towers and monopiles. We strongly believe that our nation's clean energy infrastructure must be built with sustainable, American steel. Unfortunately, recent guidance from the Treasury Department on the IRA's domestic content bonus credit threatens to gut the incentives applicable to iron and steel supply chains for wind energy. I hope we can count on this Caucus to ensure that federal government investments in renewable energy projects support American production and American workers.

Electric Arc Furnaces have led the way toward a greener steel industry, as scrap-based EAF production is far less carbon-intensive and more energy efficient

than traditional extractive steelmaking. And because we have continued to invest and innovate, America's recycling-based EAF producers can now make ALL types of steel, including heavy gauge plate and advanced high-strength and exposed automotive grades of sheet steel. As our government negotiates the Global Arrangement on Sustainable Steel and Aluminum and considers what it means to "Buy Clean", clearly defining "sustainable" or "green" steel has never been more important.

The American steel industry is the cleanest in the world among industrialized countries – and make no mistake – this happened as the result of EAF technologies steadily replacing high emissions extractive steelmaking over the last three decades. Today, more than 70% of all steel produced in the United States is made by Electric Arc Furnaces and that will continue to grow in the coming years. This massive growth in sustainable steel did not happen as the result of any government regulations or subsidies, but by simply letting the market work. Companies like Nucor have consistently and strategically used our own profits to grow our company and reward our teammates, customers, and shareholders.

In contrast, our international competitors continue to produce unrelenting amounts of the dirtiest steel on the planet, often subsidized by their governments. For example, in each of the last four years, China has produced more than one billion tons of high-emissions steel from integrated mills, and extractive steelmaking

capacity continues to be built not only in China, but also in India, Southeast Asia, and elsewhere.

We will win if our nation is truly seeking to use the cleanest steel to build out our economy. As governments and the industries we serve look to reduce their own carbon footprints through procurement and trade policy, we believe the approach must be transparent and data driven. That is why we support the Global Steel Climate Council's single standard approach to measuring and reporting carbon emissions. This proposal uses a single, science-based standard that is focused on the carbon footprint of the steel product regardless of the technology used to produce it. This is the best way to continue driving investment and innovation.

Bipartisan policymaking has been essential to creating the economic conditions conducive to investment and growth in our industry. We appreciate the leadership and support of this Steel Caucus and ask that you continue to lead the way to address the policy challenges we have shared today. Thank you.