

**Remarks By:
Roger K. Newport
Chief Executive Officer**



Good morning Chairman Murphy and Vice Chairman Visclosky.

On behalf of the 8,500 men and women of AK Steel, I appreciate the opportunity to comment today on the very urgent and important matter of the steel industry in the United Statesand the impact of what we firmly believe are unfairly traded imports being dumped into the U.S. market.

We hear time and again that the steel business is cyclical.....how we've seen the ups and downs over the years. While that is certainly true to some extent, I have been in the steel industry for 31 years, and I have never seen the conditions in the marketplace that we have experienced over the last two years.

While import levels of steels have begun to decline from some of those countries where preliminary duties are being levied, we still face significant on-going import pressures. The impact of China's severe over-capacity on all regions of the world raises additional challenges in the fight for fair trade.

Let me be clear. We are not looking for a handout. We are simply asking for fair trade to support, and not squelch, our critical innovation that keeps AK Steel well positioned to meet our customers' needs for the future.

What distinguishes our company, as we have proven time and again, is that we understand what it takes to be a leader in the U.S. and global steel market.

AK Steel has been an innovator since the business was first founded in Ohio in 1899. We pioneered the process that moved the entire industry from just making basic grades of steel....to a complex, highly automated steel making process that allows us to make hundreds of grades of steel that are thinner, and stronger. We created some of the first electrical steels that today are helping electrical grids around the world operate more efficiently than ever.

And over the years, we have not forgotten the people who made our company, and our industry strong, as we issue monthly pension checks to our more than 28,000 retirees.

AK Steel continues to make strategic investments today to deliver innovation to serve our customers. We are the only American steel company that makes high-quality carbon, stainless and electrical steel products. Demand for these types of specialty steel products has generally been favorable in recent years, and AK Steel is well positioned to take advantage of this demand.

Over the past three years alone, we've made substantial investments to produce new innovative steel products to meet American manufacturing needs:

- In September 2014, we acquired a Russian steel company's integrated steelmaking assets in Dearborn, Michigan, for \$700 million. On the site established by Henry Ford, our Dearborn Works today has one of the most efficient blast furnaces in the world for its size. It employs 1,400 people and is capable of producing approximately 2.5 million tons of finished steel per year.
- In June 2015, we began constructing a \$36 million world-class Research and Innovation Center in Middletown, Ohio. It will house our company's researchers and help us better develop innovative products and processes for our customers today and for the future.

- Also in June 2015, we announced a \$29 million investment to modify the hot dip galvanizing line at our Dearborn Works to produce next-generation Advanced High Strength Steels for our automotive customers. This technology provides auto companies with stronger and lighter-weight grades of steel to help meet the U.S. government fuel efficiency standards.
- Just last month, we completed an expansion at our Butler Works, in Butler, Pennsylvania, to produce high-value added grain-oriented electrical steels.

Unfortunately, the excess capacity caused primarily by China has made it impossible for AK Steel to obtain a true market-based rate of return on our investments. We simply have not received the return on investments that would have been possible on a fair and level playing field.

As a result, last December our company was forced to temporarily idle portions of our Ashland Works facility in Kentucky, and lay off of more than 600 hard working employees. I know you have heard directly from some of the Ashland Works community leaders and from some of our employees on layoff, who have explained the difficult and far reaching impact this layoff has had on the Ashland, Kentucky community.

We believe that for every one of our employees who is on lay off, and additional seven other jobs in the ore, coal, transportation and other sectors are at risk.

Under these circumstances, we are urging the U.S. government to adopt strong and efficient policies to address these problems.

First, the U.S. government should strictly and thoroughly enforce our existing trade laws. It's that simple – enforce the law.

Second, the U.S. government should continue to treat China as a non-market economy for the purpose of the anti-dumping law.

And finally, the U.S. government needs to recognize that in many instances, trade relief on China alone will not be sufficient to address the problem of global overcapacity. Without effective action, the overcapacity in the market simply causes other countries to increase their exports to the U.S.

We are working to drive innovation as a U.S. leader in the specialty steel market.

We urge you to help us continue our important work by taking prudent and immediate action to address the trade issue, to ensure that unfair imports do not overwhelm steel producers in this country.

Thank you.

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