

Congress of the United States
Washington, DC 20515

TESTIMONY BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION

Representative Marcy Kaptur (OH-09)

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Five-Year Reviews of Orders on Hot-Rolled Steel from Australia, Brazil, Japan, Korea, Netherlands, Russia, Turkey, and the United Kingdom

Thank you, Chairman Johanson, Vice Chair Schmidlein, and Commissioners of the U.S. International Trade Commission for the opportunity to provide testimony in support of America's steel industry.

Our steel industry operates at a significant disadvantage compared to those of Australia, Brazil, Japan, Korea, the Netherlands, Russia, Turkey, and the United Kingdom. The steel industry is critical to Ohio and the entire nation. In Ohio alone, nearly 40,000 hardworking men and women go to work every single day in this industry that generates more than \$20 billion in economic output across the state. The people of Ohio and of the Industrial Heartland make and build what makes and builds America.

Unfortunately, I have witnessed time and again the devastation inflicted on our communities, our workers, and our families when unfair trade practices outsource good-paying jobs to penny-wage nations – hollowing out the Middle Class.

That is why I am before you here today once again to urge the Commission to support and protect American industries with respect to the products under consideration in this case. The orders under review have been instrumental in providing the stability that American companies have needed over the last several years.

These orders have ensured that American companies and American workers are safeguarded against undercutting attempts by China and other nations which have systematically dumped hot-rolled steel into the United States and harmed our domestic producers. When China and others distort the playing field in their favor – American companies and American workers lose. We must stand up for our industries.

Recently, Cleveland-Cliffs – an Ohio-based company – accomplished a major transformation through its acquisition of AK Steel and ArcelorMittal USA. With these acquisitions, Cleveland-Cliffs is now the largest flat-rolled steel company in North America – employing 27,000 people – the vast majority of whom are represented by the United Steelworkers, United Autoworkers, and the International Association of Machinists. The trade orders at issue here in this case were instrumental in facilitating these acquisitions and the subsequent investments made by Cleveland-Cliffs.

I mention Cleveland-Cliffs because of its extraordinary investment at the Port of Toledo in Northern Ohio. In 2020, Cleveland-Cliffs completed construction of its \$1 billion Direct Reduction plant. This plant is the most technologically advanced direct reduction plant in the world – producing hot briquetted iron that emits 70 percent less greenhouse gases than imported pig iron from Russia and Brazil.

Hot briquetted iron is used in both Cleveland-Cliffs' blast furnaces and basic oxygen furnaces to stretch hot metal production. Ohio-made hot briquetted iron is used in furnaces across Cleveland-Cliffs' plants to make hot-rolled steel, which is why these orders are so important to Northern Ohio.

Cleveland-Cliffs has also made significant improvements to its Cleveland Works plant. Earlier this year, the company invested \$200 million to reline one of its two blast furnaces at the facility – extending for two decades more the useful life of the furnaces and supporting 2,000 living wage jobs.

Steel is the backbone of manufacturing and a crucial material in supply chains. We need to ensure that our domestic steel industry remains strong; that the steel industry continues to invest and hire workers; and the steel industry is able to innovate for the future.

That is why maintaining these orders is so essential. If imports of hot-rolled steel are allowed to once again flood the U.S. market – as the Department of Commerce has already determined will happen – we know what the consequences will be.

The domestic steel industry will be undermined, plants will be shuttered, and workers will lose their jobs. America will become dependent on other nations for key steel products that are necessary to our defense, energy, and automotive sectors. As such, I strongly encourage the U.S. International Trade Commission to maintain these Antidumping and Countervailing Duties for hot-rolled steel products.

Thank you for the opportunity to provide testimony, and thank you and your service to America.