

## **Testimony for Chuck Schmitt, President SSAB Americas**

### **Before the House Steel Caucus**

**March 25, 2014**

Good morning, my name is Chuck Schmitt, I am the President of SSAB Americas.

SSAB produces and processes steel in the US, Canada and in Sweden. In the U.S., our steel is produced in electric arc furnaces using scrap metal as our raw material. Our products include steel plate and wide coil that meet the highest standards for strength and durability. Because we use scrap metal as a raw material, our products are 98% recycled. SSAB and the North American steel industry continue to meet tough environmental standards while leading the industry in steel manufacturing efficiency.

Our products are sold primarily in the U.S., but we do export to Latin America, Europe, parts of Asia, as well as to our NAFTA partners. We continue to invest significantly in our U.S. facilities and we are also one of the leaders in the industry in worker safety performance.

This morning I will address the energy markets, both as a consumer of energy and as a supplier of materials to the energy sector. The American steel industry is well positioned and fully capable of selling steel products for Natural Gas Production and Transmission including pipe for distribution and drilling, Wind Towers, Solar Panel Structures, Transmission Towers, Heavy Equipment for mining and construction, Railcars and Tank Cars for petrochemical transportation—among others.

We are also large consumers of energy and have a significant focus on energy efficiency and recapture. Make no mistake about it, steel production, no matter how efficient, consumes vast amounts of energy, but in order to remain competitive in global markets, the US energy supply must be clean, abundant, reliable and reasonably priced.

The United States is undergoing a dramatic change in the way we produce energy, and I would ask the Caucus to carry a message that we are on an advanced energy path for the future. Since 1990, the Steel industry has reduced energy intensity by 28%. Our industry has also reduced Greenhouse Gas emissions by 35% during that same period.

We have achieved great strides as an industry in reducing energy consumption and the attendant pollution that goes along with it. This is the result of hard work, technology and investment.

We need to ensure that the next steps we take in this transition are not speculative but are well understood, developed solutions that don't risk destroying domestic manufacturing. Electric

utilities will be subject to several new rules intended to reduce emissions. The mercury, cross state border, Nitrogen dioxide and Sulfur dioxide rules will become effective over the next few years. Congress should consider a delay in additional EPA rules on GHG for existing power plants and manufacturing until we are able to assess the impact of these rules that are in the implementation stage.

We would like to work with the Caucus on ensuring a stable energy portfolio for steel. I'm not going to get into any specific bill or regulation, but will simply say we need to work together and deliberately on this transformation.