



United States Steel Corporation

Testimony of

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As prepared for the

**CONGRESSIONAL STEEL CAUCUS
“STATE OF STEEL” HEARING**

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Good morning, Mr. Chairman, Members of the Congressional Steel Caucus, and friends.

Thank you for convening this hearing and for the opportunity to testify here today. Your continued support has been critical to the domestic steel industry, and we thank you for your efforts.

I am Mario Longhi, and I am proud to serve as the President and Chief Executive Officer of United States Steel Corporation, the largest integrated American-headquartered steelmaker.

Last year, we gathered here to discuss the state of the steel industry. The industry presented a bleak picture of a market buried under illegally traded steel and companies fighting for survival. We urged Congress to take a step forward and correct years of misinterpretation and misapplication of vital trade enforcement tools. I urged Congress to revise and clarify our trade laws to align with the original Congressional intent. And thanks to you, for the first time in decades, American trade laws were amended. Today, because of the Leveling the Playing Field Act, the law now clarifies that material injury indicators include more than just operating margins. Today, the law specifically recognizes:

- the suppressive effects on cash flow and production;
- the significant reduction of net income;
- the reduction of employment;
- the curtailment of critical research and development; and
- the reduction or elimination of investment in new technologies and growth.

Moreover, today, the Department of Commerce practice of addressing uncooperative respondents who obstruct and inhibit investigations is now codified into law.

How these new laws are interpreted and implemented in the pending dumping and countervailing duty cases is pivotal in our efforts to bring our trade laws into conformity with the intent of Congress and the American people.

There are some who now say that your herculean efforts last year have no impact on the analyses and deliberations of the relevant bodies. You and I know these pessimists are completely wrong. You were clear. When Congress incorporated the injury standard, it did not intend for companies or workers to suffer

severe, prolonged harm before they can seek relief. An American company should not be required to experience grievous harm before becoming entitled to the full protection of our nation's laws.

Congressman Bost, you captured this more vividly. A fireman should not wait until the house is burned down before turning on the water.

I respectfully urge this body to carefully monitor and scrutinize how this law is being enforced and ensure that its application aligns with Congressional intent.

Mr. Chairman, in the 12 short months since this body last gathered, our industry has continued to suffer serious and demoralizing injury. Let us be clear. The genesis of this crisis is not home grown, but its profound and crippling impact continues to be visited upon American workers and our communities every day. Moreover, these persistent, illegal foreign practices impact this country's ability to maintain critical national infrastructure and to preserve our national security.

Today, multiple polls have stunned political parties and confirmed what you and I reinforced last year. The well-being of our citizens and the safety, security and prosperity of our nation depend upon indigenous capacity to respond to our essential national needs, in peacetime and in time of crisis.

The recent Tarrance Group poll revealed the following opinions:

- Over 86 percent of Americans strongly believe that the American steel industry is critical to our nation's economic and national security strength.
- Over 82 percent of people believe that the damage suffered by the American steel industry due to unfair foreign imports is an important issue facing our country.
- 92 percent of people are concerned that "America's national security could be compromised if foreign imports continue to cripple the American steel industry... [forcing the U.S.] to rely on foreign steel."

These are your constituents. They are from both parties, from all walks of life, and live from coast to coast. And their responses show that the American voter instinctively understands that virtually every military platform is dependent to some degree upon steel and specialty metals.

Our nation's critical homeland infrastructure is also dependent upon steel. Many take for granted that our energy, our water supply, and our transportation network all rely upon steel. Energy that keeps our lights on, that fuels our daily transport, and powers each one of your laptops and cell phones. Water that flows to and through the American farmlands and across deserts to our homes, our schools, our factories. Will we allow foreign steel companies to seize this critical part of our nation's health and welfare?

Nations – including our country – have recognized oil as a national security interest. Yet, there is no oil without the pipes that extract and transport that critical resource.

American people – and this caucus – have declared that we must not rely on competitors or adversaries for vital elements of our national security. I contend that no element is more vital and fundamental than steel. The time for speculation and hand wringing has passed. We must now come together. Democrats and Republicans. Government and the private sector. Management and labor. We must join forces to preserve and defend our way of life by ensuring American industries can compete vigorously and unencumbered by harmful foreign practices. Thank you.