



**Statement of Rich Fruehauf
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**Congressional Steel Caucus
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On behalf of the over 24,000 men and women of U. S. Steel, thank you for the opportunity to join you for this morning's hearing. We appreciate the bipartisan Caucus leadership in support of American steelmaking.

From our iron ore mines in northern Minnesota...to our integrated iron and steelmaking operations in Gary, Indiana, the Mon Valley near Pittsburgh and Granite City, Illinois...to our electric arc furnaces, or EAFs, in Fairfield, Alabama and Big River Steel in Osceola, Arkansas...U. S. Steel mines, melts and makes steel in the USA.

Steel is critical to our national and economic security, and it is critical to providing a foundation for the reshoring and homecoming of manufacturing. The pandemic and economic recovery have emphasized the critical importance of retaining and rebuilding domestic supply chains. We need America-made steel to rebuild and supply American-made manufacturing.

Global steel overcapacity, and the actions of foreign governments and producers that feed overcapacity, are a very real threat. This excess steelmaking in China and other countries distorts global steel trade flows. Our U.S. industry is investing to grow stronger, to create jobs and to continue to meet our Nation's needs. We cannot allow this to be undermined by overcapacity and unfairly traded imports. Strong trade enforcement and continuation of the Section 232 national security action on steel imports is critical. We thank the Caucus for their support of the industry's AD/CVD cases and confronting unfair trade.

2021 and 2022 have seen U. S. Steel advance the sustainability commitments in our Best for All strategy, which is making it possible for us to get to our future faster.

In January, we announced that our approximately \$3 billion next-generation highly sustainable and technologically advanced steel mill will be located in Osceola, Arkansas, close to our cutting-edge Big River Steel plant. This new mill design features two EAFs with advanced steelmaking capability, a state-of-the-art endless casting and rolling line, and advanced finishing capabilities. This first use of endless casting and rolling technology in the United States brings significant energy, efficiency, and capability enhancements to the company's operations.

When completed, the sophisticated new steelmaking facility in combination with Big River Steel will form a 6.3 million ton mega mill capable of providing many of the most

advanced and sustainable steels in North America. The new non-grain oriented electrical steel and galvalume/galvanizing lines currently under construction at Big River Steel will further advance U. S. Steel's ability to respond to customers' pressing supply chain needs to satisfy their own domestic manufacturing expansion. Non-grain oriented electrical steel is a critical product for electric vehicle motors. This new line will help meet automakers' increasing demand as our economy adjusts to address climate change.

In April, U. S. Steel was recognized for another significant sustainability achievement. U. S. Steel earned the first-ever site certification in North America from ResponsibleSteel, which is an international, non-profit organization with multi-stakeholder membership from every part of the steel supply chain. The site certification was awarded to Big River Steel, which will host the global annual meeting of ResponsibleSteel in November.

In May, U. S. Steel celebrated our investment in a pig iron caster at Gary Works, which is under active construction. Thank you, Congressman Mrvan, for joining us at this event. This project is a key part of our metallics strategy to utilize Minnesota iron ore to grow EAF steel production. As is U. S. Steel's announcement last month of plans to break ground this year at one of our two Minnesota mines on a DR-grade iron ore pellet production system. This approximately \$150 million investment would produce pellets that are a critical feedstock for ironmaking in a DRI or HBI process to supply EAF steelmaking.

As the United States transitions to lower carbon emissions steelmaking, we need to develop iron production facilities to ensure we're sourcing American iron to make American steel. We should not, and do not need to, source pig iron or other iron products from Russia. In fact, we urge the President to utilize his new authority to adjust tariff rates on Russian imports by levying at least a 25% tariff on Russian pig iron and similar products.

U. S. Steel is the first American headquartered steelmaker to publicly announce a 2050 net zero carbon emissions goal. We are in a global race to decarbonize steelmaking. Developing and deploying needed technologies requires collaboration, yet it's also a matter of competitiveness. In Canada and in Europe, governments are quickly stepping forward to support and fund the multi-billion dollar leap needed to advance and achieve steel decarbonization in their countries. The U.S. begins the race ahead. The American industry has the lowest CO2 emissions per ton of steel produced among the 7 largest producing countries. Yet, we must accelerate as other countries fully commit to investing in 100% green steel production.

As just one example, the hydrogen hub initiative enacted in the bipartisan Infrastructure law can provide critical support for decarbonizing our economy and industry. In Southwest Pennsylvania, U. S. Steel is actively exploring ways likeminded organizations can work together to advance that region as a hydrogen hub and national leader in decarbonization.

Thank you again for inviting U. S. Steel to participate in the hearing, and I look forward to today's discussion with Caucus leaders and members.