



Congressional Steel Caucus Hearing

January 14, 2026

Testimony of Lourenco Goncalves

Chairman, President & Chief Executive Officer

Cleveland-Cliffs Inc.

Good morning, Steel Caucus members.

President Trump spent the first year of his second term laying the groundwork to rebuild manufacturing in the United States and undo the disastrous and decades-long experiment of globalization. Globalization has damaged the profitability of the domestic steel industry by forcing capable steel plants to shut down, or to operate below capacity.

While the American steel industry still operates below acceptable levels of capacity utilization, the trade actions implemented by President Trump's Administration are moving us in the right direction. Due to Section 232 steel tariffs, imports are down significantly, accounting for 16% of the market in October 2025. This 16% number represents a significant improvement over the 25% to 30% import penetration levels of the recent past.

Last year, President Trump took decisive steps to restore the effectiveness of the Section 232 steel tariffs, by eliminating tariff exclusions and tariff-free arrangements that had completely impaired the original Section 232 program. In June 2025, the President increased the Section 232 steel tariffs from 25% to 50%. This doubling of the tariffs was absolutely necessary to reduce imports from countries that operate as steel dumping machines. In order to export steel to the United States at dumped prices, these countries take advantage of a number of things at their disposal -- like weak labor laws, non-existent environmental standards, currency manipulation, and government subsidies -- among other tricks. The group of bad players includes China, Brazil, Japan, Canada, Mexico, Vietnam and several others.

It is now up to steel consumers and end-users to ensure that a resurgence of U.S. manufacturing takes hold. Currently, we still see far too much complacency by steel-consuming sectors who are slow to modify their supply chains, and continue to seek exemptions in order to use steel that is not melted and poured in the United States. It is time to recognize the current volatility in global geopolitical dynamics. That's the new normal, even here, close to home, in the Western Hemisphere. This volatility impacts the reliability of shipping routes and disrupts supply chains; meaning, artificially cheap steel and all goods produced overseas are now at risk. Bringing their production to the United States resolves the problem.

Consider that the USMCA is subject to review this year. The most damaging consequence of NAFTA -- and USMCA -- is that these trade agreements facilitated companies to relocate plants and move jobs to Mexico and Canada, destroying entire American manufacturing communities in the process. The Section 232 steel tariffs must be maintained and not weakened with any exclusions or country exceptions. That also applies to Canada and Mexico.

While Mexico is more visible and easier to identify as a problem, Canada is also very problematic. The Canadian government believes that Canada has a birth right to sell everything they produce into the United States. We know that very well, because we own Stelco, the largest steel company in Canada. For the record, since we acquired Stelco in 2024 -- before President Trump was back in office -- we blocked Stelco from selling steel into the U.S. market. I am glad that there is a good chance that the USMCA will not survive the 2026 review. We need manufacturing in the United States. Not in Canada; not in Mexico.

One final point I would like to emphasize: 2025 proved that Section 232 steel tariffs are not inflationary. After almost one year of steel tariffs in place, no sector can honestly claim that the sales prices of their products to consumers increased because of the price they pay for steel.

Artificially cheap steel dumped in our market destroys American jobs and poisons our society. It is a National Security imperative to value domestic supply chains and to quit using steel that is not melted and poured in the United States.

Thank you very much.