

**TESTIMONY OF BARRY SCHNEIDER, PRESIDENT & COO  
STEEL DYNAMICS**

**BEFORE THE CONGRESSIONAL STEEL CAUCUS**

HEARING ON:

*State of Steel.*

**January 14, 2026**

Good morning, Chairman Crawford, Chairman Mrvan and distinguished members of the Congressional Steel Caucus. Thank you for the opportunity to appear before you to discuss the state of the domestic steel industry. Due to strong government actions, such as strengthening the section 232 tariffs and developing a derivative product inclusions process, rightsizing regulations and passing significant tax reforms, the American steel industry is well positioned. However, many of the issues that have caused job losses and economic harm in the past are still lingering; China continues to dump their massive steel overcapacity globally, distorting steel markets; interest rates remain too high; permitting inefficiencies persist and workforce shortages continue to impact manufacturing.

Our industry and American manufacturing in general can be significantly strengthened in the coming year; we look forward to continuing to work with the Steel Caucus on lasting solutions.

**Introduction**

My name is Barry Schneider. I am President and COO of Steel Dynamics, where I am responsible for our company's steel platform, steel fabrication platform and metals recycling platform. Prior to my current role, I served as the Vice President of our Flat Roll Steel Group,

which is responsible for the company's entire flat roll steel operations, including our three flat roll steel mills and numerous flat rolled processing, coating and distribution operations.

In addition to my role at SDI, I have the privilege of serving as board chair of the Steel Manufacturers Association (SMA). SMA is the largest steel industry trade association in the United States. It represents the electric arc furnace (EAF) steel industry, which accounts for more than 70 percent of American steel production. SMA's members are the most efficient, competitive steel producers in the world, and we play a critical role in an industry that is vital to American national security and economic competitiveness. Between 2022 and 2026 our members will have announced, started or finished new capex projects worth more than \$25 billion, leading the way in the electrification and modernization of America's steel industry.

### **SDI Update**

Steel Dynamics was founded in 1993 to be a steel company that would be a more efficient and technologically advanced focusing on low-cost, high-quality steel production. Envisioned to utilize an empowered work force and new technologies, the plan was to outcompete less efficient methods and be a more agile and forward-thinking company.

Since our inception, we have stayed the path and steadily grown to become one of the safest and most financially healthy materials company in the world. The pillars of the Steel Dynamics' culture begin with the health and safety of our team. Our teammates thrive in the entrepreneurial atmosphere to continuously improve and challenge the status quo. Our commitment to our customers, and a drive to innovate products and processes, brings value to our marketplaces. Steel Dynamics has grown through disciplined M&A, strategic capital investments, and unique customer supply-chain solutions. Steel Dynamics' financial strength is

evident with the strength of our balance sheet and the investment grade ratings that we have achieved.

Steel Dynamics has invested over \$6 Billion dollars since 2018 to further increase our market share and add new product capabilities that were not offered by the domestic steel industry. We have built a state of the art flat rolled steel plant in Sinton, Texas that can produce the widest sheet in the industry with technical capabilities to make all the Pipe products that America needs for infrastructure growth. Steel Dynamics has built supply chain solutions for the distribution of flat rolled steel construction products that complements our position as the second largest producer of structural steel and rail products in the United States. We have built a first of its kind bio-Carbon facility that will utilize sustainably harvested forestry products of the American Southeastern states for modern steelmaking. Today Steel Dynamics is commissioning the first flat rolled Aluminum sheet plant built in the last 40 years in the United States. This state of the art facility will efficiently produce 600,000 metric tons of high-quality Aluminum sheet for Automotive, beverage can, and industrial products.

Steel Dynamics stands today with a team of nearly 14,500 people. Steel Dynamics is the largest recycling company in North America in both Ferrous and non-ferrous materials. We are the largest Copper recycling company in the United States. We are the second largest provider of engineered and fabricated steel joist and deck in the United States. We are the fourth largest Steelmaker in the United States providing flat rolled products to the automotive industry, the construction industry, and many other steel consuming industries. We are the second largest Structural and Railroad rail producer supplying products that are essential to the infrastructure of the United States. We are now deploying our culture and our capital investments to bring state of the art Aluminum sheet capacity to address the structural supply shortage in the United States

market. Steel Dynamics is world class in sustainability, our products are among the cleanest and most energy efficient in the world. Steel Dynamics provides the materials that the United States needs for economic prosperity.

### **Tariffs**

The 232 tariffs on steel have been a tremendous asset to the American steel industry and bolstered national security since they were first introduced in 2018. President Trump recognized a domestic steel industry that was suffering from global overcapacity led by state-subsidized Chinese manufacturers whose goal was to dominate global manufacturing without any thought on making a profit. These steel tariffs worked and the domestic industry responded by creating thousands of jobs and investing over \$25 billion since the tariffs were announced. Over time, however, the impact of the tariffs was dramatically weakened by successive negotiations and agreements which led to complete exemptions for Australia, Canada and Mexico, and partial exemptions in the form of tariff-rate quotas for Japan, the European Union and the United Kingdom. As a result of these modifications, the tariffs applied to only a small share of total U.S. steel imports for the last several years. Their beneficial impact on the domestic steel industry was significantly eroded.

Upon the start of his second term, President Trump and his team recognized the erosion of the 232 steel tariffs, and understood that a stable supply of domestically produced steel is more important than ever to America's national, economic and energy security. In early 2025, President Trump renewed the 232 steel tariffs, eliminating the loopholes and exemptions that had weakened them over time and raised the rate from 25 percent to 50 percent. The revised rate and global applicability of the tariffs are significantly leveling the playing field for steelmakers in the United States. While the Administration is negotiating numerous trade deals across the world, we

are encouraged to see continued recognition of the importance of the 232 steel tariffs on national security. Many nations have asked for a reduction in the 232 steel tariffs, but the Administration is holding strong, ensuring that we can continue to meet America's growing needs for steel to build our infrastructure, our data centers, new manufacturing facilities, housing and much more.

### **Tax Cuts**

The Working Families Tax Cuts that Congress passed last year contained numerous provisions that are vital to manufacturing. For instance, to manufacture more in America, you need more manufacturing equipment. Thanks to the 2017 tax reforms, manufacturers were allowed to immediately deduct the full cost of equipment and machinery in the same year it was placed in service as opposed to depreciating them over time. That benefit began to phase out and was scheduled to expire, making it more costly for manufacturers to procure the equipment necessary for transformational investments. For instance, SDI invested nearly \$1 billion in capital investments in 2025, and \$1.9 billion in capex in 2024. Our investment dollars would not be as impactful if we could not fully deduct the cost of the equipment. Investment decisions hinge on a number of factors, and drastically increasing costs for equipment can keep a project from moving forward. By renewing immediate expensing and making it permanent, the Working Families Tax Cuts helped ensure that domestic manufacturers can procure the necessary equipment for manufacturing investments that strengthen families and communities across the country.

Another important aspect of the Working Families Tax Cuts is immediate expensing of research and development costs. America's steel industry is a global leader largely because of our technological advantage. We let markets choose the most efficient technologies and raw materials. In contrast, most imports that enter the United States use older technology. America

has long been the global leader in innovation, but numerous countries are catching up quickly. For instance, the European Union has a program called Horizon Europe, which has a budget of 95.5 billion euros (about \$109 billion) to boost innovation. The tax cuts renewed immediate expensing for R&D costs and made it permanent, ensuring that America can maintain our competitive technological edge when we need it most.

### **USMCA**

SMA and its members have long championed fair steel trade in the North American market and strongly believe in the promise of a robust United States-Mexico-Canada Agreement (USMCA). When negotiated, USMCA delivered critical improvements over the outdated provisions of its predecessor, the North American Free Trade Agreement (NAFTA).

Yet many of the agreement's core benefits have yet to be fully realized. Key provisions—such as the vital “melt and pour” requirement for autos—will not take effect until 2027. In the interim, Canada and Mexico have not matched the United States' efforts to confront the global distortions undermining steel trade. Producers of steel-intensive goods in both countries continue to rely on steel from non-market, excess-capacity sources, including China. Between 2020 and 2024, Mexico's steel imports from China surged by 59 percent, while Canada's rose by nearly 75 percent.

A strengthened USMCA could be instrumental in boosting steel demand across the region, advancing both the American steel industry and the Administration's broader trade policy goals. Achieving this will require several targeted improvements:

- Require that all steel and steel-intensive products be melted and poured in North America to qualify for USMCA treatment.
- Expand labor value content provisions to apply to any steel or steel-intensive products.

- Strengthen steel-related rules of origin for automotive products, including increasing the steel purchasing requirement from 70 percent to 85 percent and implementing the automotive melt and pour requirement immediately.
- Prohibit Mexican duty exemption and drawback programs that encourage diversion of non-market excess steel capacity into the United States.
- Ensure that Canada and Mexico implement border measures similar to those of the United States on steel imports, without exception.
- Restrict investment in steel and steel-intensive industries from non-market economies like China.
- Eliminate – or at least significantly restrict – the availability of USMCA dispute settlement for antidumping and countervailing duties (AD/CVD) proceedings. This should be left to the domestic legal processes.

We believe these recommended modifications would strengthen the USMCA's ability to drive steel demand across North America. However, safeguarding the American steel industry, and the broader American manufacturing base ultimately requires the continued enforcement of strong U.S. trade provisions. For this reason, we strongly urge the Administration and Congress not to alter the 232 tariffs on steel currently in place for Canada or Mexico. Section 232 has proven to be a highly effective tool in supporting the American steel industry and must not be placed on the negotiating table in any discussions related to USMCA.

### **Ongoing Challenges**

While the 232 steel tariffs protect against dumping of unfairly made imports onto our shores, China-led global overcapacity is not slowing down. China produces far more steel than it can ever use, dumping 118 million tons on the global market last year alone. That record is predicted to climb even higher this year, putting steelworkers everywhere at risk. Ambassador Jamieson Greer, the United States Trade Representative recently called for a strong global framework to stop unfair overproductions and hold bad actors accountable. The problem isn't just affecting American steelworkers; this is a global problem that requires a global solution. While the 232 steel tariffs should not be lowered because they are vital to protecting jobs at home, we will need

to work globally to ensure other countries' measures match ours, which will improve global markets for steel.

Another major negative impact of the global overcapacity problem is transshipping. China's Belt and Road Initiative established global beachheads to ensure they can still ship into America even with significant trade restrictions targeting their mainland. The initiative focuses on products that are the backbone of a modern society, such as steel, energy and critical minerals. China uses this network to depress or eliminate competing production globally by dumping unfairly priced and heavily subsidized products throughout the world. American workers and industry have borne the brunt of China's increasingly predatory economic behavior. China has sponsored steel production across the globe, leading to a glut of unfairly priced steel that distorts the market for steel and makes it extremely difficult for domestic producers to compete. As the Administration is weighing additional tariffs on China, transshipment will only grow in the coming years, underlining the need to do more to combat bad actors.

Also, as America continues to rebuild our manufacturing sector, recruiting and retaining workers continues to be a top issue. This is true in communities throughout the country and is an issue shared across all types of manufacturing. Many industry solutions are driven at the local level. Our mills work with local communities on programs to identify candidates and ensure they have sufficient job training before they enter the workforce. What is clear is that more needs to be done at the local and the federal levels. While the steel industry is working to deploy artificial intelligence and robotics to automate and increase safety in all our processes, our position as a global manufacturing powerhouse will always be dependent on the ability to find, train and retain good people.

## **What Can Congress Do?**

The Steel Caucus has a strong bi-partisan track record of tackling issues that contribute to building a stronger domestic steel industry. There are two items in particular which Congress has before it, that would invigorate the steel industry and domestic manufacturing.

First, the Leveling the Playing Field 2.0 Act was designed to give our government appropriate tools to protect impacted industries and American workers and adequately address the evolving threat China poses to domestic production. The bill creates “successive investigations,” with streamlined procedures and expedited timelines for petitions targeting production that has moved to another country after an initial AD/CVD case is brought and won. The legislation also explicitly gives the Commerce Department authority to investigate transnational or cross-border subsidies such as those provided through the Belt and Road Initiative. There is an urgent need to address China’s most dangerous method of destroying American jobs and industries. We encourage you and your colleagues to support American workers and industry by passing the Leveling the Playing Field 2.0 Act. Your actions will send a strong signal that we will not allow China to dominate critical manufacturing.

Second, strong federal investments in our nation’s infrastructure will strengthen demand for American steel. The Infrastructure Investment and Jobs Act significantly benefitted our industry and it is vital that Congress and the Administration achieve timely enactment of surface transportation and water resources reauthorization legislation. SMA looks forward to working with leaders in this caucus and your colleagues to pass these critical bills and urges support for robust Build America, Buy America requirements by closing existing loopholes. It’s a simple idea: if we’re rebuilding America, we should do it with American steel and American workers. These commonsense, enforceable provisions ensure that taxpayer dollars support domestic

manufacturing and our communities. When our nation uses American steel, the benefits extend well beyond the mill. For every job in the steel industry, nearly seven additional jobs are created throughout the supply chain, including in construction, maintenance, fabrication and the service sector. Steel facilities support local schools, develop workforce training programs, foster small business growth and strengthen regional economies across the country.

### **Conclusion**

Thank you for holding this important hearing today. We greatly appreciate how the Steel Caucus is constantly looking for ways to deliver for American steelworkers. Our industry is in a good place today, but we cannot become complacent. This requires great diligence from the Administration to continue the 232 steel tariffs and ensure our country is not being flooded by unfairly traded imports. It is also up to each of you to ensure Congress continues to create policies that enable American manufacturing to thrive. Moving swiftly on Leveling the Playing Field 2.0 will provide the government with tools to fight unfair production, and continuing federal investment in infrastructure using American steel will ensure tax dollars benefit American communities. We are excited to continue working with the Steel Caucus on these ideas and many more that help steelmaker communities continue to flourish. We need each of you to help continue to build our American manufacturing renaissance. Thank you again for your commitment to America's steel industry and our workers.