

**TESTIMONY OF KRIS WESTBROOKS, PRESIDENT & COO
METALLUS**

BEFORE THE CONGRESSIONAL STEEL CAUCUS

HEARING ON:

State of Steel.

June 24, 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. The American steel industry has strengthened over the last several years, but there is still more work to do.

The Section 232 steel tariffs – and consistent enforcement – have helped revitalize our industry, driving investment in American steelmaking facilities across the country. Those investments are strengthening the communities built around our mills and creating opportunities for the next generation of steelmakers. In 2025, the United States rose to become the world’s third-largest steel producer for the first time since the late 1990s, a significant milestone for our industry and our economy.

Another historic achievement, the Working Families Tax Cuts, is providing meaningful relief for our workforce, with many steelmakers receiving some of the largest tax refunds they have ever seen, and incentives for capital deployment are boosting American manufacturing competitiveness.

Yet many of the challenges that have historically undermined American manufacturing still remain. China continues to expand and dump its enormous steel overcapacity into global markets, distorting competition and threatening domestic production. Permitting delays continue

to slow critical projects, and persistent workforce shortages are limiting growth across the manufacturing sector.

With the right policies, the coming year presents a tremendous opportunity to further strengthen both the steel industry and American manufacturing as a whole. We look forward to continuing our work with the Steel Caucus to advance sustainable, long-term solutions that support domestic production, create jobs, and ensure America remains a global manufacturing leader.

Introduction

My name is Kris Westbrook. I am President and Chief Operating Officer of Metallus, an Ohio-based specialty metals company with a legacy of over 100 years of domestic manufacturing. In 2014, our company spun off from its former parent to operate as an independent steel provider, producing high-performance materials for the automotive, industrial, energy, and aerospace & defense markets. We employ approximately 1,900 people, with approximately 70 percent represented by the United Steelworkers union. At Metallus, I oversee manufacturing operations including the safety and supply chain organizations. Our teams have worked hard to foster cross-functional collaboration and operational excellence to remain competitive in the industry and create value for our customers, shareholders and employees. Prior to taking the President and COO role in June of last year, I was the company's Chief Financial Officer since 2018.

In addition to my role at Metallus, I have the privilege of speaking on behalf of the Steel Manufacturers Association, or SMA. SMA is the largest steel industry trade association in the United States. It represents the electric arc furnace steel industry, which accounts for more than 70 percent of American steel production. SMA's members are the most efficient 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 modernizing America's steel industry.

Metallus Update

Speaking of capital investments, Metallus was awarded funding from the U.S. Army in early 2024 to support critical investments in our domestic manufacturing footprint, strengthening the U.S. defense industrial base. These investments are focused on enhancing capacity and removing production bottlenecks through the installation of advanced assets to support the ramp-up in 155mm artillery shell production. The collaboration reflects the Department of War's broader strategy to modernize and secure a reliable, domestic supply chain for key defense materials, where Metallus plays a vital role as a supplier of specialty steel required for munitions.

Last July, we welcomed Vice President J.D. Vance to our Faircrest Steel Plant. The visit was part of the Administration's efforts to highlight the essential role of domestic steel production in supporting national defense, economic resilience and industrial independence. Vice President Vance toured our facility, met with employees, and observed our operations.

As it relates to our new assets being installed to support increasing defense demand while continuing to serve our broader customer base, we are in the final commissioning stage for these assets. This reinforces our position as a trusted partner in supporting national defense priorities. We are proud to support the U.S. Army, and we look forward to our official ribbon cutting of these new assets in Canton, Ohio in late August.

As we look to the future, an area of growing concern is the availability and cost of electricity. Demand is forecasted to exceed capacity in our region. As one of the top consumers

of electricity in the state of Ohio, Metallus' electricity generation costs have increased by approximately 70% since 2024 at an incremental annual cost of nearly \$15 million. This path is not sustainable and requires decisive action to support the domestic steel industry and broader manufacturing base.

Tariffs

Since their implementation in 2018, the Section 232 steel tariffs have revitalized the American steel industry and strengthened our nation's economic and national security. More than any other policy initiative, the tariffs have helped counter the unprecedented wave of global steel overcapacity driven by heavily subsidized Chinese producers whose objective was not profitability, but market domination.

The results speak for themselves. The Section 232 tariffs created the market conditions necessary for American steelmakers to invest, grow, and compete. In response, the domestic steel industry has invested more than \$25 billion in new and upgraded facilities and supported the creation of thousands of good-paying American jobs. Since the beginning of 2025, American steel production has increased by nearly five million tons. Thanks to the investments, another four million tons of annual capacity will come online over the next two years. Together, that's enough additional American-made steel to build more than nine million automobiles.

No single policy has done more to strengthen the American steel industry. The tariffs have proven to be both pro-growth and pro-worker, helping secure domestic supply chains, encourage investment, and build critical manufacturing capacity. That success is reflected in the broad bipartisan support they continue to receive.

As the Administration negotiates trade agreements around the world, we are encouraged by its continued recognition of the vital role Section 232 tariffs play in protecting national

security. While many trading partners have sought exemptions or reductions, the Administration has remained steadfast in defending this policy. That commitment is essential to ensuring the United States maintains the steelmaking capacity necessary to reduce foreign dependencies, secure our supply chains, and meet growing demand for munitions to support national security, data centers, energy development, and other strategic priorities.

At a time when global overcapacity continues to threaten market stability, preserving strong Section 232 protections remains one of the most effective tools available to safeguard American manufacturing, American workers, and America's industrial future.

Tax Cuts

The Working Families Tax Cuts are unleashing American manufacturing competitiveness and delivering real relief for steelmakers and their families.

One SMA member recently brought a steelmaker to testify before the House Ways and Means Committee in May. That steelmaker shared that before the Working Families Tax Cuts became law, tax season often meant writing a check to the IRS. This year was different. Thanks to the provision which eliminated taxes on overtime pay, he and his wife received a refund of more than \$10,000, money that will help them support their family and save for the future.

The benefits are being felt across the industry. On Tax Day, a working mother from Metallus joined Speaker Johnson and members of House leadership to highlight how the Working Families Tax Cuts have strengthened her family's financial security. These are tangible, meaningful outcomes that demonstrate how pro-worker tax policies can make a real difference in the lives of hardworking Americans.

The Working Families Tax Cuts are also helping manufacturers like Metallus invest, grow, and create opportunities in communities across the country. For example, Metallus spent

approximately \$110 million in 2025 on new assets and is targeting approximately \$70 million of capital investments in 2026. Those investment dollars stretch further because the law allows companies to immediately deduct the full cost of qualifying equipment purchases. Manufacturing investment decisions depend on many factors, and significantly increasing the after-tax cost of equipment can be the difference between moving a project forward or shelving it altogether.

By restoring and making permanent immediate expensing, the Working Families Tax Cuts provide manufacturers with the certainty and incentives needed to invest in modern facilities, advanced equipment, and American workers. These investments strengthen domestic manufacturing, support good-paying jobs, and help build stronger families and communities nationwide.

USMCA

A renewed United States-Mexico-Canada Agreement (USMCA) has the potential to significantly increase steel demand across North America. Yet many of the original agreement's most important steel-related provisions have not been fully realized. Most notably, the automotive "melt and pour" requirement, a cornerstone of ensuring North American steel content, is not scheduled to take effect until 2027.

More fundamentally, Canada and Mexico have not matched the United States' commitment to addressing the global market distortions that continue to undermine fair steel trade. Manufacturers of steel-intensive goods in both countries remain heavily reliant on steel sourced from non-market economies with chronic excess capacity, particularly China.

To strengthen the agreement and ensure it delivers on its promise to support regional steel production and manufacturing, we have urged the Administration to pursue the following improvements:

- Require all steel and steel-intensive products to be melted and poured in North America to qualify for USMCA preferential treatment.
- Strengthen automotive rules of origin by increasing the steel purchasing requirement from 70 percent to 85 percent and implementing the automotive melt and pour requirement immediately rather than waiting until 2027.
- Eliminate Mexican duty exemption and drawback programs that incentivize the diversion of steel from non-market excess-capacity producers into the United States.
- Require Canada and Mexico to adopt steel import enforcement measures comparable to those of the United States, without exemptions or carve-outs.
- Restrict investment from non-market economies, including China, in North American steel and steel-intensive manufacturing industries.

These reforms would significantly enhance the USMCA's ability to generate steel demand, strengthen regional supply chains, and reinforce North America's manufacturing competitiveness.

Even with these improvements, strengthening the American steel industry, and the broader U.S. manufacturing base, requires maintaining robust and effective U.S. trade enforcement measures. Between 2020 and 2024, Mexico's steel imports from China surged by 59 percent, while Canada's imports increased by nearly 75 percent. These trends directly undercut the intent of both section 232 and USMCA by creating pathways for unfairly traded steel to enter the North American market. The Administration and Congress should reject any effort to weaken or negotiate away the Section 232 steel tariffs currently applied to Canada and Mexico. Doing so would undermine the effectiveness of these historic achievements in U.S. trade policy. Section 232 has proven to be one of the most effective tools available to counter unfair trade practices, support domestic investment, and preserve critical steelmaking capacity. It must remain firmly in place and off the negotiating table in any future USMCA discussions.

Ongoing Challenges

The Section 232 steel tariffs remain essential to preventing unfairly traded imports from being dumped into the U.S. market. But tariffs alone cannot solve the deeper structural problem: China-driven global steel overcapacity continues to accelerate.

China produces far more steel than it can possibly consume, flooding global markets. In 2025, China-led global overcapacity reached an outrageous 640 million tons of steel. That record volume is expected to climb even higher this year, threatening steelworkers not only in the United States, but around the world. The Administration is working on the overcapacity issue through Section 301 investigations as well as serving as chair of the Global Forum for Steel Excess Capacity. That is exactly the right approach. This is not just an American problem; it is a global crisis that demands a coordinated global response. Stronger, aligned global action would help restore fair competition and improve steel markets worldwide.

One of the most damaging consequences of global overcapacity is transshipment. Through the Belt and Road Initiative, China has built industrial beachheads around the world that allow unfairly produced steel and steel-intensive products to continue flowing into the United States, even when restrictions are placed on imports from mainland China. The initiative targets the building blocks of modern industrial economies, in particular: steel, energy, critical minerals, and related infrastructure, and uses them to expand China's influence while weakening competing producers.

China uses this network to dump unfairly priced, heavily subsidized products into markets around the world, depressing prices, displacing local production, and undermining fair competition. American workers and manufacturers have paid the price for China's increasingly predatory economic behavior. By sponsoring and financing steel production across the globe,

China has helped create a glut of artificially cheap steel that distorts markets and makes it harder for domestic producers to compete.

As the Administration considers additional tariffs on China, the risk of transshipment will only grow. That makes it even more urgent to strengthen enforcement, close loopholes, and ensure that bad actors cannot evade U.S. trade laws by routing products through third countries. At the same time, rebuilding America's manufacturing base requires more than strong trade enforcement. Recruiting, training, and retaining workers remains one of the most pressing challenges facing steel and manufacturing communities across the country. This is not unique to steel; it is a challenge shared across the entire manufacturing sector.

Many of the best solutions are being developed locally. Steel mills are partnering with communities, schools, workforce boards, and training providers to build candidate pipelines and ensure they have the skills needed before they enter the workforce. But more must be done at both the local and federal levels. America's ability to remain a global manufacturing powerhouse will always depend on our ability to find, train, and retain a strong industrial workforce.

What Can Congress Do?

The Congressional Steel Caucus has a strong bipartisan history of advancing policies that strengthen America's steel industry, manufacturing base, and workforce. Today, Congress has an opportunity to build on that record by advancing three critical priorities that would bolster domestic steel production, protect American jobs, and enhance our nation's economic security.

First, Congress should pass the Leveling the Playing Field 2.0 Act. This legislation would provide the federal government with modern, effective tools to combat unfair trade practices and address the evolving threats posed by China's industrial policies.

The bill establishes a "successive investigations" process that allows U.S. industries to quickly respond when foreign producers relocate production to another country in an effort to evade existing antidumping and countervailing duty orders. It also explicitly authorizes the Department of Commerce to investigate transnational and cross-border subsidies, including those provided through China's Belt and Road Initiative.

These provisions are urgently needed. China has repeatedly demonstrated its willingness to use state-directed subsidies, transshipment schemes, and industrial overcapacity to undermine American manufacturing. The Leveling the Playing Field 2.0 Act directly addresses some of the most dangerous tactics being used to destroy American jobs and erode domestic industrial capacity. We thank you for your support and respectfully ask that you urge your colleagues to cosponsor this legislation and send a clear message that the United States will not stand by while foreign governments manipulate markets and target critical American industries.

Second, Congress must continue making robust investments in America's infrastructure. Strong federal infrastructure programs drive demand for American-made steel while creating jobs and strengthening communities throughout the country. In particular, it is essential that Congress and the Administration enact timely surface transportation reauthorization legislation to avoid a lapse in critical highway authorities later this year. SMA supports the bipartisan BUILD America 250 Act passed out of the House Transportation and Infrastructure Committee, and we look forward to working with members of the Steel Caucus and your colleagues to advance a highway bill to the President's desk.

As part of any infrastructure legislation, Congress should maintain and support enforcement of Build America, Buy America requirements for federal projects, closing existing loopholes and ensuring that taxpayer-funded projects maximize the use of domestically produced

materials. The principle is simple: if Americans are paying to rebuild America, those investments should support American workers, American manufacturers, and American steel.

Finally, Congress should enact bipartisan, comprehensive permitting reform. Addressing the nation's chronic inability to build critical infrastructure, energy projects, and manufacturing facilities will require bold action. Our outdated and inefficient permitting system is slowing economic growth, driving up costs, and undermining American competitiveness. Proposals such as the SPEED and PERMIT Acts represent meaningful steps in the right direction, but they are only part of the solution. Congress must pursue broader reforms that streamline approvals, reduce unnecessary delays, and enable the timely construction of projects that are vital to the nation's future prosperity and security.

Conclusion

Thank you for holding this important hearing and for the Steel Caucus' steadfast commitment to America's steelworkers and manufacturers.

While the steel industry is stronger today than it has been in years, we cannot afford to become complacent. Sustaining this momentum requires continued enforcement of Section 232 tariffs to prevent unfairly traded imports from undermining American production and jobs. It also requires Congress to advance policies that strengthen domestic manufacturing and ensure a level playing field.

We look forward to continuing our partnership with the Steel Caucus to advance these priorities and build on America's manufacturing resurgence. With your leadership, we can strengthen our industrial base, create good-paying jobs, and ensure that steelmaking communities across the country continue to thrive.

Thank you again for your commitment to America's steel industry and the workers who make it strong.