



# ArcelorMittal

Statement of Michael G. Rippey  
Chairman  
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Congressional Steel Caucus  
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Chairman Murphy, Vice Chairman Visclosky, and Members of the Congressional Steel Caucus, I am Mike Rippey, Chairman of ArcelorMittal USA. Thank you for holding this hearing today.

As Chairman of the American Iron and Steel Institute, I will begin by giving you a brief overview of the American steel industry in 2015.

The U.S. steel industry today employs 150,000 people. For every one steel job, the industry supports nearly seven more jobs in our communities. In other words, the U.S. steel industry supports more than one million U.S. jobs. And our presence isn't limited to the industrial Midwest where we have deep roots. We have a presence in 41 States and operate 100 production facilities.

Last year, we produced more than 98 million tons of steel, valued at \$75 billion. Steel continues to be the material of choice for a broad range of manufactured products, and we continue to make advances in technology for our customers. We make steel stronger for defense applications, lighter for autos, and longer lasting for bridges and buildings.

Today, the global economy is presenting serious challenges for us. Recovery since the Great Recession has been slow and uneven. While U.S. economic conditions have improved, Europe remains weak, and growth in China and other developing economies has slowed. In times like these, we know what happens. We've seen it before.

Last year, finished steel imports increased 36 percent while U.S. producers increased shipments by only 3 percent. Steel imports captured 28 percent of the U.S. market, a historic level. The increase came from many countries – China, Turkey, South Korea and Russia to name a few. Based on the first few months of this year, the outlook for 2015 is the same.

The import surge is particularly troubling given that U.S. producers are currently using only 69 percent of production capacity. And the surge of imports has contributed to the loss of nearly 6,000 steel jobs reported in the last year.

In 1998, when imports also reached a record high, prices and production dropped, resulting in a crisis that caused several bankruptcies of major steel companies in the early 2000s. Steel mill employment dropped by over 46,000 workers between 1998 and 2002, when the President finally imposed tariffs on steel products after the section 201 investigation.

Mr. Chairman, the current import surge is putting American steel jobs at risk today, just as it did then.

Let me tell you about those jobs at ArcelorMittal USA.

American steelworkers are highly skilled men and women who, like generations before them, are intensely proud of what they do. In turn, these men and women are well compensated for their efforts.

In 2014, the average wages of an ArcelorMittal USA steelworker was more than \$90,000. That's more than double the average income for manufacturing workers in Northwest Indiana and Cleveland, where the majority of our employees live and work.

With that kind of pay, you might expect that it's easy for us to fill job openings. Yet, therein lies another challenge we cannot tackle alone.

The average age of our workforce is 50. Over the next five years, we expect 500 retirements per year.

Who will replace them? How do we get young people to think about manufacturing as a viable career?

And how do we make sure they have the skills that 21st century steel jobs require?

ArcelorMittal USA is committed to preparing the next generation of steelworkers. In 2007, we established the Steelworker for the Future® program to prepare individuals for high-tech, well-paying jobs in steel and manufacturing.

The program combines classroom learning at a partner community college with hands-on training at an ArcelorMittal facility, where the student earns more than \$20 per hour.

Upon graduation, students receive an associate's degree in applied sciences, and skills we hope they will apply at ArcelorMittal. So far, 93 percent of graduates have done just that.

Of course, the first objective is to get students interested in STEM - or Science, Technology, Engineering and Math - early on. That's where we could use your help.

First, as public officials, you can help promote opportunities in manufacturing. WalMart and Target get headlines when they raise wages to \$9 an hour. At ArcelorMittal USA, the average steelworker earns more than \$30 per hour. A Steelworker for the Future graduate can make \$90,000 annually by their third year of employment.

Simply talking about these opportunities will open the eyes of kids, and their parents, to the futures we offer.

Second, our educational system must be up to the challenge. Our community college and university partners have a difficult time recruiting students with the required math and science skills. Young people often shy away from STEM long before high school. Studies show that a majority of girls lose interest in science and math by 5th grade while minorities make up less than five percent of today's college engineering students.

Our competitors in Europe and Asia are investing in programs to develop engineering talent and a workforce that will enable them to compete globally. We too must invest in STEM education...to motivate students to choose these majors, and eventually careers.

Mr. Chairman, we ask for the support of this caucus in maintaining a sustainable U.S. steel industry. We need your help in producing a workforce with the knowledge and skills to adapt to 21st century technologies. And, now more than ever, we need strong trade laws that prevent the U.S. market from becoming the dumping ground for the world's excess steel.

Thank you, Mr. Chairman. I look forward to your questions.