



Statement of Tracy Porter

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**Congressional Steel Caucus
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Chairman Murphy, Vice Chairman Visclosky, members of the Congressional Steel Caucus – thank you for the invitation to appear before you today.

I am Tracy Porter, President of CMC Americas. Commercial Metals is a vertically integrated, Fortune 500 company that recycles, manufactures, fabricates, and trades steel globally. CMC’s state-of-the-art steel mills make high-quality steel products at five locations in the United States and one location in Poland. With over 4.8 million tons of steelmaking capacity, CMC is the nation’s third largest manufacturer of long products.

I am here today in my role as Chair of the Steel Manufacturers Association. SMA represents 28 North American steel producers, primarily in the electric arc furnace segment of the steel industry. SMA’s members collectively account for over 75 percent of domestic steelmaking capacity, directly employ more than 60,000 workers across North America, and indirectly generate over 400,000 additional jobs. SMA also has 118 Associate Members who supply goods and services to the industry.

I understand that the purpose of today’s hearing is to address the state of the U.S. steel industry, with an emphasis on what Congress can do to support its health and vitality.

Congress has recently acted on a number of SMA's top legislative priorities, including a multi-year surface transportation funding bill, the Leveling the Playing Field Act, the Customs bill, lifting of the crude oil export ban, and reform of the Surface Transportation Board. These measures will strengthen our nation in the years ahead. But there is still much to be done.

As my colleagues have already stated this morning, we face extremely challenging market conditions largely due to the global steel overcapacity problem. U.S. markets continue to be flooded with offshore imports from a range of nations and in virtually every product category. American steel producers, the workforce, and surrounding communities are bearing the brunt of the world's overcapacity problem.

Congress has taken important steps to address unfair trade, including passage of the Leveling the Playing Field Act. These provisions enhance the Department of Commerce's ability to gather information in antidumping and countervailing duty cases, improve the International Trade Commission's ability to assess injury, and make our nation's trade laws more effective. We need Commerce to aggressively enforce these laws, with an emphasis on strong, timely preliminary and final determinations. Congress can further

help by ensuring that Commerce is given adequate resources to handle its increased trade caseload.

U.S. rebar producers have experience with trade case determinations that do not accurately reflect levels of subsidization and dumping. Since an April 2014 preliminary countervailing duty determination, U.S. imports of rebar from Turkey have increased from around 70,000 tons per month to over 130,000 tons per month. Imported Turkish rebar now accounts for approximately 80 percent of U.S. rebar imports, and 20 percent of total U.S. domestic rebar consumption. U.S. rebar mills, meanwhile, have experienced significant declines in production, with unsustainably low capacity utilization rates around 60 percent.

A challenge to this ruling is currently pending. Several Members of Congress have already urged the Department of Commerce to fully enforce our trade laws and to prevent further harm to the domestic rebar industry. Your continued outreach would be extremely helpful.

The U.S. should also strive to enhance its own competitiveness by investing in the nation's infrastructure at adequate levels. Following years of short-term extensions, passage of the FAST Act was a welcomed development. Multiyear investment allows state DOTs certainty and the ability to participate in large-scale project planning. Moving forward, we

would like to see increased investment, as well as steps to address the future solvency of the highway trust fund.

Investment in our inland waterways should also be a top priority; we therefore urge Congress to pass a new Water Resources Development Act in 2016.

As suppliers of high quality, durable steel products made almost entirely of recycled materials, SMA's members have an active role to play in the building of our nation's infrastructure. Taxpayer-funded projects should utilize domestically melted and poured steel products in order to ensure that the full benefit of investment is realized in the U.S. economy. As such, SMA strongly supports the application of Buy America provisions.

In closing, America is one of the greatest places in the world to manufacture steel, and companies like CMC are eager to invest in our businesses and communities. Sound public policy will help ensure that the U.S. remains a viable place to do business.

We wish to express our genuine appreciation to Congressmen Murphy and Visclosky for their bipartisan leadership of the Congressional Steel Caucus. Thank you.