



ArcelorMittal

Statement of Michael G. Rippey
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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, President and CEO of ArcelorMittal USA. I want to thank you for the opportunity to appear today with my industry colleagues to discuss the state of the American steel industry.

I want to first thank each of you for the leadership and support that you have given our industry and its tens of thousands of employees during a challenging period. At a time when Congress is often criticized for its failure to address in a bipartisan way the difficult issues facing our nation, the Congressional Steel Caucus has always been an organization built on bipartisanship and focused on solutions, which helps explain the successes that you have achieved over the years.

The industry faces a wide variety of important issues—trade, environment, energy, workforce training and a number of other matters, many of which I am sure we will collectively touch on today.

But I want to spend a few moments focusing on the need for greater infrastructure investment in this country and for the creation of additional dedicated revenue sources for such investment. I do so not only as a steel executive, but as a citizen. For decades, we have allowed our infrastructure investment levels to fall far below our needs or even below replacement costs. Regardless of whether we talk about highways, bridges, rail and transit, shipping, or water and sewer – all are deteriorating at an alarming rate. In 2009, the American Society of Civil Engineers gave our Nation's infrastructure a "D" grade. Common sense tells us all that things have not gotten better over the last three years.

ArcelorMittal USA is both a supplier of infrastructure to the nation and a major user of that same infrastructure.

As a supplier, we see the potential for jobs if this nation can once again commit itself to building the roads, rail, shipping and pipelines that our modern economy demands. Our employees, whether they make plate steel in Burns Harbor, Indiana, for America's bridges or rail in Steelton, Pennsylvania for the Washington Metro or the Portland, Oregon tram system, are standing ready to meet the needs of American communities. I need not remind you that our economic competitors around the world, such as China or Brazil, are on a crash course to invest in those

assets. How we fare in the infrastructure investment race with those nations and others will help determine how well America competes in our global economy.

But just as we see the value of infrastructure investment in the future, we also clearly see the costs of failing to make those investments in the past.

In fact, all we have to do is look out our front door of one of our biggest plants, Indiana Harbor in East Chicago, Indiana, to see the costs of our failure to invest.

As Vice Chairman Visclosky knows all too well, the major highway designed to service that plant, Cline Avenue, has been closed for several years, forcing industry to divert heavy loads onto local sides streets, which were never designed to serve that purpose. We face safety concerns for our workers and our neighbors, extraordinary congestion and substantial economic loss. Yet the solution eludes us. And there are thousands of Cline Avenues all over America.

And our infrastructure problems aren't limited to dry land, Mr. Chairman. ArcelorMittal's Great Lakes plants use 25 million net tons of iron ore and stone a year, all delivered via the Lakes and Seaway. That translates to 1,635 pounds every second, 24 hours a day, seven days a week, 365 days a year. Yet the lack of adequate funding to dredge and maintain the harbors of the Great Lakes forces us to lighten loads so our ships don't get stuck in the mud, literally, substantially adding to our costs.

Every day our costs are climbing and our efficiencies declining, because of the failure of this nation to do what must be done to return our infrastructure to world-class levels. All of us in America are today living off the public investments made a century or more ago by far sighted people, but we are rapidly reaching the point in this country where that "borrowing from the past" policy will no longer works.

We know that raising taxes is never a popular slogan in any campaign. But the American people are already paying a hefty and growing cost for the failure of Congresses and Administrations, present and past, to face up to the investments that simply have to be made. We are paying the tax of lost jobs, of greater inefficiencies, of personal safety, of decreasing quality of life. And if you do not act this year to create a long term, robustly funded transportation policy in this country, those taxes will go up as sure as concrete crumbles and steel rusts.

The steel industry urges the Congress to provide a dedicated source of revenue on a long term basis sufficient to meet the growing infrastructure needs of this economy. We continue to support innovative ideas such as offered by Chairman Murphy to open new areas for oil and gas exploration and use the resulting royalties and other revenues for a variety of needed public investments, including federal and state highway and highway safety construction programs, water resources development construction projects, mass transit programs, freight rail and passenger rail construction. While it won't solve all of our needs, estimated by some in excess of \$2 trillion, it nonetheless is a bold proposal that will expand domestic energy, create substantial new demand for steel products, and fund vital transportation projects.

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We hope that the House will soon follow the lead of the Senate and pass a transportation measure, so that this important process can continue to move forward. We were disappointed that the Senate was unable to find the revenue to pass legislation longer than two years, and we hope the final House bill will reflect the need for long term planning of these complicated public works by extending the legislation to five years.

Today's infrastructure crisis is a product of decades of investments not made, and realities not addressed. It won't be totally fixed by one bill, or in a short time. But we must reverse the decline, stabilize the systems, and turn around the direction we are all headed. American steel stands ready to be your partner in that effort.