



**Congressional Steel Caucus
Testimony of John Ferriola
Chairman, Chief Executive Officer & President, Nucor Corporation
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Chairman Murphy, Vice Chairman Visclosky, on behalf of our 23,000 teammates, I would like to thank you for this opportunity to appear before you today. I am John Ferriola, Chairman, CEO & President of Nucor Corporation. With a production capacity of approximately 28 million tons, Nucor is the largest steel producer in the United States. We are also North America's largest recycler.

The American steel industry is facing a crisis and we need Congress's help. We are experiencing an unprecedented volume of steel imports. Finished steel imports increased 36 percent from 2013 to 2014. Imports captured 28 percent of the U.S. market last year, which is the highest level on record. Import levels are higher now than they were in the years before the Section 201 steel tariffs.

Steel companies normally benefit when the U.S. economy is growing. However, today domestic steel producers are not enjoying the benefits of the improving economy. Instead, less efficient foreign producers are capturing nearly all of the growth in steel demand. As a result, domestic steel shipments were up only 2 to 3 percent last year. American steel mills are running at only 69 percent of their capacity. Imports are having a negative impact on U.S. steel industry employment and investment.

We are seeing this volume of imports because certain countries and their producers continue to disregard the rules of international trade. The Administration has been far too soft on these foreign countries and companies. Too often, the Department of Commerce and the ITC have shied away from imposing tough duties that would actually change market behavior and provide real relief for domestic steel producers.

For example, in a case brought by Nucor and other companies, the Department of Commerce ruled that Turkey was providing its rebar producers with energy subsidies. But Commerce concluded that these subsidies were of hardly any value and applied a duty of only about one percent. How could energy subsidies have such little value? Energy costs run in the hundreds of millions of dollars annually for a company like ours.

Failing to impose a tough duty sent a clear message to Turkish rebar producers that they could just keep sending more. Rebar imports from Turkey averaged 52,000 tons per month when the steel industry filed its case in 2013. In 2014, they averaged 80,000 tons per month. And in January 2015, rebar imports from Turkey were more than 108,000 tons. We must take a much tougher line with countries that blatantly violate international rules.

We need real solutions that will provide effective relief and change market-distorting behavior. As Congress prepares to debate TPA – the Trade Promotion Authority legislation – we urge you to use the debate as an opportunity to strengthen trade laws. New trade authorization should include strong trade enforcement provisions and enforceable rules against currency manipulation, such as those included in Chairman Murphy’s bill HR 820 – The Currency Reform for Fair Trade Act.

There are a couple of things Congress can do to create more effective trade enforcement mechanisms. First, Congress needs to pass the ENFORCE Act, which would strengthen Customs and Border Protection’s ability to hold other countries accountable for getting around trade duties. Nucor also supports legislation to address decisions by the World Trade Organization and the courts that have weakened the effectiveness of our anti-dumping and countervailing duty laws like Senator Brown’s bill – The Leveling the Playing Field Act. These measures are a start, but we are going to have to think outside the box to end this rampant trade cheating.

The U.S. economy is one of the few bright spots around the world. Since 2009, Nucor has invested between 6 and 7 billion dollars in our facilities because we believe so strongly in the American economy and American workers. We want to continue growing and investing here in America. In order to do that, we need Congress to strengthen enforcement of our trade laws to ensure that domestic steel producers are able to realize the benefits of a growing U.S. economy.

Thank you.