

**Mike Rehwinkel – President and CEO
EVRAZ North America
Summary and Testimony
“Our Nation of Builders: The Strength of Steel” Hearing
Thursday, March 21, 2013
Subcommittee on Commerce, Manufacturing, and Trade**

Summary

EVRAZ North America is a steel manufacturer that employs 4500 people in North America, with roughly half of our employees in the U.S. Our mills are highly technical operations that require billions of dollars in capital investments and demand a highly skilled labor force.

To be competitive in today’s market, we need a reasonable, streamlined regulatory approval process for the construction and permitting of new facilities or modernization of existing ones. They should meet: the letter and spirit of the law; be timely and provide a high degree of certainty that once the requirements are met, the project will be able to proceed; and with the proceedings, recognize the scope of the project being considered.

Currently the bureaucratic permitting process has become controlled by special interests that raise issues outside the purview of the process simply to delay an approval. To continue to have a healthy industry, regulations should be well defined.

A case in point is the proposed Keystone XL Pipeline. It contains 550 miles of pipe made by EVRAZ North America. It will provide a competitively-priced, reliable North American supply option for Gulf Coast refineries and has met extensive regulatory approvals; yet it is being delayed. This is undermining the goal of secure, stable energy supplies in our country.

Further, the economic boost the energy renaissance will provide in terms of increased production and jobs should be benefits enjoyed by North Americans – not foreign countries flooding us with subsidized, unfairly traded imports that may be of inferior quality.

We in the steel industry will gladly meet or exceed all regulatory requirements. But we need our government’s support in ensuring that once those requirements are met, we can get our U.S. steelworkers busy making the products needed to rebuild and repair our nation’s infrastructure and get our natural resources to market.

Testimony

Mr. Chairman and members of the committee, I’m Mike Rehwinkel – President and CEO of EVRAZ North America. My company makes flat, long and tubular steel for a variety of industries. These include the energy sector; infrastructure like rail, bridges and roads; building construction; and we’re very proud of the armor plate we developed for the U.S. Military. We employ 4500 people in the United States and Canada. Roughly half of the employees work in our Pueblo, Colorado; Portland, Oregon; and Claymont, Delaware, operations. In the last 56 years, we’ve made more than 20,000 miles of pipe.

Thank you for the opportunity to discuss the future of steel manufacturing in this country. Today, I want to join my colleagues in painting a picture of what our industry needs to support the nearly 154,000 well-paying jobs we currently provide for American steelworkers – and to create new jobs in the future.

Modern steel mills are highly technical operations. They require billions of dollars in capital investments and demand a highly skilled labor force. After touring the EVRAZ Colorado mill, U.S. Senator Michael Bennett said, “I’ve got it. These are the middle class jobs we are talking about in Washington and this is a place that creates them.”

Steel companies in America are very responsible corporate citizens and strong stewards of the environment. In fact, EVRAZ is the largest recycler in Colorado and Delaware. We make new steel products from scrap metal.

Mr. Chairman, to be competitive in today’s market, we need a reasonable and streamlined regulatory approval process for the construction and permitting of new facilities

or modernization of existing ones. If we are going to create and maintain the jobs this country needs right now:

- The process should meet the letter and spirit of the law.
- The process should be timely and provide a high degree of certainty that once the requirements are met, the project will be able to proceed.
- It should be a proceeding that recognizes the scope of the project being considered.

Currently, navigating the bureaucratic permitting process is extremely frustrating in terms of time, scope and certainty. It has become controlled by special interests that raise issues outside the purview of the process simply to delay an approval. To continue to have a healthy industry, regulations should be well defined. And we need to have a good working relationship with regulators to obtain the most efficient results.

A case in point – the proposed Keystone XL Pipeline. This project includes 550 miles of my pipe. It will provide a competitively-priced, reliable North American supply option for Gulf Coast refineries. Its completion is important for several compelling public policy reasons:

- Pipelines are a safe, efficient form of transportation for liquids and gases. The required regulations regarding Keystone’s construction, operation and safety have been met. Yet ongoing delays, reviews and questions of alternative routing have delayed this particular project. These delays are undermining the goal of secure, stable energy supplies in our country.

Permitting reviews should continue to be fact-based and focused on individual projects. Additional studies or secondary implications of production activities (like refineries or supplementary pipelines) should be evaluated independently by the appropriate government agencies.

- Approval time frames must be reasonable. Keystone was approved the Department of State and 11 cooperating agencies. It has been exceptionally comprehensive. There was rigorous environmental review and ample opportunity for public input and participation. In summary, the needs of the nation and special interests were both considered, the Keystone Pipeline has met all regulatory hurdles, and it should be allowed to proceed without further delay.

Finally, I'd like to point out that it's North American products that meet the high quality standards for steel products in general and pipeline products in particular. The economic boost the energy renaissance will provide in terms of increased production and jobs should be benefits enjoyed by North Americans – not foreign countries flooding us with subsidized and unfairly traded imports that may be of inferior quality.

We in the steel industry will gladly meet or exceed all regulatory requirements. But we need our government's support to ensure that once those requirements are met, we can get our U.S. steelworkers back to making the products we need to rebuild and repair our nation's infrastructure and get our natural resources to market.

Thank you for your time.