

**United States House of Representatives
Committee on Transportation and Infrastructure
Subcommittee on Highways and Transit
Testimony of Dan Needham
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Chairman Crawford and members of the Subcommittee, on behalf of Nucor Corporation (“Nucor”), and our 32,000 teammates across the country, thank you for the opportunity to testify regarding the importance of our country’s Buy America laws. I am Dan Needham, Executive Vice President of Commercial at Nucor Corporation. I have been with Nucor since 2000 and have overseen commercial operations across product lines in my current position since 2021. Buy America and other domestic preference provisions are vital to the American steel industry, and we appreciate the Committee’s efforts to ensure that they remain robust and effective.

Nucor is the largest and most diversified steel producer in the United States and the largest recycler of any product anywhere in the Western Hemisphere. Nucor produces one out of every four tons of American-made steel using up to 100% recycled content, and with 60% lower greenhouse gas intensity than the global steelmaking average. Nucor’s goal is to achieve net-zero science-based greenhouse gas emissions by 2050, including Scopes 1, 2, and 3. Nucor is not only one of the cleanest and most efficient steelmakers in the world, but also one of the safest, with a 2023 steelmaking injury and illness rate that was less than 30% of the industry average.

Nucor is continuing to expand and improve our operations to ensure that we can meet the needs of our country’s rapidly expanding infrastructure. Since 2020, we have invested more than \$12 billion that will ensure that we can produce the steel needed for any project anywhere, from roads and bridges to offshore wind facilities. Last year, we began operations at a \$1.7 billion, state-of-the-art cut-to-length plate mill in Brandenburg, KY that produces plate for our military in addition to transportation and construction applications. Nucor Steel Brandenburg is the first mill

in the United States and one of only a few globally that can produce heavy gauge plate used in offshore wind monopile foundations. We are also expanding capacity in traditional product lines, including at a new \$350 million rebar micro mill in Lexington, NC that we anticipate will be operational by the end of this year.

Robust and well enforced Buy America provisions are critical to these investments. To justify and sustain them, Nucor needs to know that the demand created by U.S. infrastructure spending will not go to foreign producers who often sell at dumped and subsidized prices. Nucor firmly believes that investing in infrastructure is crucial to American safety and competitiveness and to supporting the resurgence of American manufacturing that we have seen in recent years. When implemented effectively, Buy America requirements attached to infrastructure spending encourage investment and innovation in the domestic steel industry, create stable and high-wage American jobs, and help lower our carbon footprint by keeping emissions-intensive foreign steel out of U.S. infrastructure. Nucor continues to invest in part because of the greater demand for American-made steel that strong Buy America provisions create.

Nucor has therefore been encouraged by recent efforts in Congress to expand and strengthen domestic iron and steel requirements in recent infrastructure investments, whether through the Build America, Buy America Act (“BABA”) in the Infrastructure Investment and Jobs Act (“IIJA”), or through the domestic content bonus credit for renewable energy projects in the Inflation Reduction Act (“IRA”). It is worth noting at the outset that these provisions simply call on federal agencies to implement certain Buy America requirements that other agencies, like the Department of Transportation (“DOT”), have implemented effectively for decades. For example, the Federal Highway Administration (“FHWA”) and Federal Transit Administration (“FTA”) have successfully implemented a robust “melted and poured” standard for more than 40 years, which

requires that all manufacturing processes for iron and steel products occur in the United States. DOT's existing Buy America programs should serve as the model for other agencies as they implement BABA's requirements.

BABA's provisions should help to ensure consistency of implementation across the Federal Government, enhance transparency and communication among agencies and stakeholders, and extend robust Buy America requirements to federal agencies that have not previously applied such rules. As energy and infrastructure investments under the IIJA and IRA drive as much as eight million tons of additional steel demand annually, ensuring consistent Buy America implementation across the Federal Government is as critical as ever. While Nucor strongly supports BABA's improvements, implementation has at times been inconsistent or even potentially contrary to the broader objective of ensuring that U.S. government investments benefit American workers and companies.

As a preliminary matter, Nucor remains concerned about delays in BABA implementation by certain agencies. BABA's Buy America provisions were to be implemented no later than May 14, 2022. While some agencies, including DOT, have generally moved forward with implementation, others have issued extended "adjustment" or "phased implementation" waivers that have delayed application of BABA's requirements significantly. The Department of Housing and Urban Development ("HUD"), for example, issued a phased implementation waiver in February 2023 that delays full BABA implementation through fiscal year 2025 for certain programs. The Treasury Department has also issued a waiver delaying implementation for certain types of funding through February 2028. There is no justification for delays of this magnitude. Numerous federal agencies, including DOT and the Environmental Protection Agency ("EPA"),

have decades of experience administering similar Buy America programs and provide readily available frameworks for effective implementation.

Nucor has also been concerned by a proliferation of proposed waivers related to *de minimis* content or minor components that could result in significant volumes of high-value steel products being unreasonably exempted from Buy America requirements. In August of last year, for example, DOT issued a waiver that significantly increases the *de minimis* threshold to the lesser of 5% of total project costs or \$1,000,000 for most of its Buy America programs. This weakens Buy America programs and is inconsistent with BABA's clear terms and objectives to maximize the use of American-made goods in our nation's infrastructure.

The same is true of proposed waivers for so-called "minor components" of iron and steel products. Guidance from the Office of Management and Budget ("OMB") suggested that such waivers could apply to as much as 5% of the content of iron and steel products. Some agencies have either proposed or implemented new waivers consistent with OMB's guidance in a manner that could significantly weaken existing standards. These waivers threaten to sweep far too broadly and cover sophisticated iron and steel products like fasteners, which are a critical product line for Nucor and other domestic steelmakers. Nucor appreciates DOT's decision not to move forward with a minor components waiver and urges other agencies to follow suit. Constant refrains over the years that supposedly "minor components" are impossible to track are untrue. Every steel product is fully traceable with readily available documentation from melting and pouring through final end product.

In Nucor's experience, the most effective Buy America requirements are the ones that are simple and straightforward and that have limited exceptions. In critical ways, FHWA's Buy America program is the gold standard in this respect. It requires all iron and steel to be produced

in the United States, including components and subcomponents of manufactured products. Unlike FTA's exemptions for steel components and subcomponents of manufactured products, there are no loopholes and no ambiguity. As FHWA reviews its nation-wide waiver for manufactured products, it should leave untouched its longstanding policy requiring that all steel be produced in the United States, including the steel contained in manufactured products.

We are aware that critics of robust Buy America programs often assert that cost and availability concerns make compliance burdensome and compromise efficient completion of infrastructure projects. These claims are unsubstantiated and simply untrue. According to the American Iron and Steel Institute's most recent data, the American steel industry is operating at 76.3% capacity utilization thus far in 2024. That means that millions of tons of steel are readily available from domestic producers. Most of the steel required by federally funded infrastructure projects, moreover, consists of common construction grades that Nucor and others produce every day. Any short-term supply chain issues that may have existed during the COVID-19 pandemic are now a thing of the past. To the extent that certain specialty products may only be available from import sources, these situations are rare and can be dealt with by narrowly tailored, project-specific waivers.

Nucor also has concerns regarding implementation of the IRA's domestic content bonus tax credit rules for iron and steel products. As with BABA, IRA applies a clear melted and poured requirement for iron and steel products to count towards domestic content thresholds. We are concerned that implementing agencies have unreasonably exempted clearly iron and steel products like offshore wind monopile foundations and steel torque tubes for solar trackers. Removing products like these from the scope of the iron and steel requirement eliminates one of the IRA's primary incentives for sourcing American-made steel and is at odds with the law's goal of

encouraging investment and creating jobs in American manufacturing industries. It also undermines the IRA's climate-related objectives. American steel is among the cleanest in the world thanks to the investments and innovations of companies like Nucor, and this clean steel should build America's green economy.

Thank you again for the opportunity to be here today. Nucor welcomes the opportunity to work with the Subcommittee to ensure that Buy America provisions are administered as effectively and efficiently as possible. I look forward to answering any questions you may have.