

**Senate Environment & Public Works Committee
Water Resources Development Act 2016
Testimony of Rob Roberson
Nucor Corporation
February 10, 2016**

Chairman Inhofe and Ranking Member Boxer, thank you for the opportunity to testify today. I am Rob Roberson, Director of Corporate Logistics for Nucor Corporation.

Nucor is the nation's largest steel manufacturer and recycler with the capacity to produce almost 29 million tons of steel annually. Last year, the company recycled nearly 17 million tons of scrap steel and turned it into new steel that is used in construction, automotive and energy applications, to name a few. We are a company of over 23,000 teammates, located primarily in the U.S. and Canada.

Inland waterways and ports are an essential part of our nation's transportation system and economy, creating jobs and revenue regionally and nationally. As a company that relies on just-in-time delivery of products to our customers, an efficient transportation infrastructure is vitally important. Waterway infrastructure is not only important for moving finished steel products to market, but also for bringing raw materials to our steel mills. We have several steel mills located on rivers which bring in more than 90 percent of their raw materials by water. Nucor's scrap steel business – The David J. Joseph Company – transports approximately 3,500 scrap barges per year. Barges provide a safe, efficient, environmentally friendly and cost-effective way to move goods.

In order for the U.S. to remain economically competitive, we must continue to invest in our ports and inland waterways. Every barge we utilize can move up to 1700 net tons of raw material or product. This is the equivalent of 17 railcars or almost 80 trucks. When we fail to adequately maintain our ports and inland waterways, companies like ours are forced to use more costly and less efficient shipping alternatives, which threatens our ability to deliver goods to our customers in a cost effective manner, a key competitive strength of our company for almost 50 years.

A well-functioning inland waterways and port system also gives Nucor access to an effective distribution channel to fight against surging steel imports that have crippled much of the domestic steel industry.

The American steel industry is in crisis. A glut of global steel production has led to the dumping of steel into the U.S. market at historic levels and in violation of international trade rules. Despite the highest level of domestic steel consumption since 2006, less-efficient foreign producers are benefitting – not domestic producers. Due to unfairly traded imports, the American steel industry's capacity utilization in 2015 was less than 70% and pricing for most steel products collapsed.

To help fight the import surge and to better serve the needs of our customers, Nucor is expanding our capabilities to produce higher quality offerings. We recently invested 100 million dollars to modernize our South Carolina mill in order to produce wider and lighter sheet steel for the automotive industry. The ability to use our ports and waterways as a means to provide the most competitive freight solution to the market, gives us an advantage over our foreign competitors.

For these reasons, we appreciate the action Congress took in 2014 passing the Water Resources and Reform Development Act, and we are pleased Congress is getting an early start on the next WRDA reauthorization.

The 2014 legislation made many important changes to the way water infrastructure projects are approved and funded. That bill helped streamline project approval by removing redundant studies and expediting permits. It also recognized the importance of funding for harbor maintenance and the dredging of inland waterways. We were pleased that the legislation also encouraged the use of resilient construction techniques and materials. The 2016 reauthorization can build on these changes and address several issues that have emerged since the last WRDA bill was passed.

The last WRDA legislation included Buy America provisions in the newly created WIFIA program and permanently applied Buy America to the EPA's Clean Water State Revolving Fund projects. We would like to see these provisions permanently applied to EPA's Drinking Water State Revolving Fund in the upcoming reauthorization. We believe that it is good policy to apply Buy America preferences to taxpayer-funded programs – particularly those administered by the EPA, which heavily regulates domestic industries. This will help stimulate job growth in the iron and steel industries, and encourage research and development and capital investment here at home.

Regular investment will ensure our waterway infrastructure remains competitive and our economy will continue to grow, and we appreciate the work this Committee will undertake to reauthorize WRDA. We also encourage Appropriators to follow through with funding to ensure that the merits of WRDA

2016 are fully achieved. Since 2009, Nucor has invested over 6 billion dollars in our U.S. facilities because we believe so strongly in the American economy and American workers. We want to continue investing here in America. We need Congress' help to ensure a competitive environment here at home that allows domestic steel producers to realize the benefits of a growing U.S. economy.

Thank you.