

**Jim, Futrell, Vice President, Market Research  
Allegheny Conference on Community Development  
Hearing of House and Senate Democratic Policy Committee  
February 7, 2019  
Clairton Municipal Building Council Chambers, Clairton, Pa.**

Thank you, Senator Boscola, chair of the Senate Democratic Policy Committee and Rep. Sturla, chair of the House Democratic Policy Committee, as well as your fellow committee leaders – Senators Costa and Brewster and Rep. Davis – for the opportunity to speak today about the economic impact of the U.S. Steel Mon Valley Works operation.

I'm Jim Futrell, vice president of market research at the Allegheny Conference on Community Development. The mission of our organization is to improve the economy and quality of life in the 10-county Pittsburgh region.

Advanced manufacturing is one the region's five key economic sectors alongside energy, financial and business services, healthcare and life sciences and information technology.

The metals industry makes up the largest part of southwestern Pennsylvania's advanced manufacturing sector, with steel manufacturing at its heart.

The industry termed "steel mills and ferroalloy manufacturing" at this time employs more than 5,600 people in southwestern Pennsylvania. This represents the second largest concentration of employment in the country, behind Chicago.

U.S. Steel is the region's largest manufacturer with a presence that includes a corporate headquarters, corporate operations center, R&D center and most visibly the Mon Valley Works, consisting of three integrated manufacturing locations.

Today, U.S. Steel is Mon Valley's largest employer with approximately 3,000 individuals employed at three facilities in this geographic footprint. However, the Mon Valley Works provides economic benefits to the greater region.

Considering an IMPLAN economic impact model, we know that the 3,000 people employed directly at the Mon Valley Works support an additional 10,500 jobs throughout southwestern Pennsylvania. This captures U.S. Steel's supply chain and other businesses that benefit from spending by the company's workforce. Among these are wholesalers, railroads, trucking companies, utilities, banks, housing and restaurants.

The impact goes beyond employment. Last year, the Mon Valley Works generated \$4.6 billion in economic output throughout the region, roughly half of which is generated directly by these operations.

Annually, \$1.6 billion is contributed to our Gross Regional Product by U.S. Steel's Mon Valley Works – directly, indirectly and through the spending of its workforce. In the broader context, this one industry supports slightly over one percent of southwestern Pennsylvania's Gross Regional Product.

U. S. Steel has long been a major employer in the Pittsburgh Region, and the Allegheny Conference encourages the Policy Committee to work with the company to help address any concerns the committee members may have.”

This concludes my testimony. Thank you for the opportunity to participate in today's policy committee hearing.