MISSION FOR AMERICA · CHAPTER 04 · THE PLAN

Clean Steel for America

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Introduction

This document provides a blueprint for the National Mission for Clean Steel, outlining the key policies, programs, and actions needed to transition the American steel industry to producing green steel. The full report details industry context, challenges, and implementation. This blueprint focuses on the actionable framework for success.

These mission blueprints are intended for industry experts, policymakers, and other readers who need a clear, accessible way to absorb the key elements of each plan. They do not include the background information, industry context, or in-depth analysis found in the full-length national mission chapters. While we encourage all readers — especially policymakers — to explore the complete reports for a deeper understanding of the industries and solutions involved, we recognize that many professionals may not have the time to do so. These summaries are designed to offer a more digestible version of each mission's core goals and strategies.

Each blueprint begins with three brief overview sections introducing the Mission for America, the role of the president, and the Reconstruction Finance Corporation. These topics are explored in much greater detail in the Mission for America introduction. Readers who have already reviewed that material — either in the introduction or in another mission summary — may wish to skip directly to the section titled The National Mission for Clean Steel.

The National Mission for Clean Steel

The global steel industry is on the cusp of the most significant transformation in centuries. Steel production, accounting for 7% of global carbon emissions, has long been one of the toughest sectors to decarbonize. As global demand continues to rise over the coming years, so too will the industry's emissions. However, breakthroughs in low-emission steel technologies and growing political and market pressure to cut industrial emissions have made a large-scale transition inevitable. The global race to lead in clean steel is already underway — and the United States is falling behind.

Today, steel is produced using several methods. Most primary steel production — making new steel from iron ore — uses coal-based blast furnaces. Blast furnaces use coal as both a heat source and a chemical-reducing agent. As a result, the process is highly emissions-intensive and is responsible for most of the industry's annual emissions. An increasingly popular alternative to primary steel production is recycled steel. Recycled steel is produced by melting scrap steel in electric arc furnaces (EAFs). Recycling steel in EAFs generates near-zero emissions when powered by clean electricity. EAFs already produce 30% of the world's steel and 70% of U.S. steel. However, there is insufficient scrap steel to meet the world's growing demand alone. Therefore, true carbon-free primary steel production is needed to meet demand and lower emissions.

Based on the existing technology, the most promising solution is green hydrogen-based direct reduced iron (DRI) paired with EAFs. While various low-emission primary steel production methods exist, most are costly, commercially unproven, or difficult to scale. Deploying green hydrogen DRI at scale also presents real challenges, but the process has many benefits that make it the best pathway to reducing emissions. For example, green hydrogen production yields almost no emissions. Green hydrogen DRI removes fossil fuels from the steelmaking process entirely. Alternatives such as carbon capture retrofits reduce emissions while the fossil fuels stay in use.

Deploying hydrogen DRI at scale comes with significant challenges. The high cost of hydrogen, insufficient infrastructure for hydrogen production and distribution, and the lack of DRI plants equipped to use hydrogen all present obstacles to rapid deployment. Additionally, only a limited supply of high-grade iron ore is currently suitable for use in DRI processes. In the United States, steel industry leaders have cited these challenges as reasons to delay and eventually abandon major clean steel projects. In 2025, both flagship American hydrogen DRI projects were canceled: Cleveland-Cliffs scrapped its Middletown plant, and SSAB withdrew from its Mississippi HYBRIT facility. Meanwhile, in Sweden, Stegra is actively constructing the world's first fully funded giga-scale green steel plant — set to begin production this year — and SSAB's HYBRIT plant is scaling to commercial production. These examples show that the technology works and that the barriers to green hydrogen DRI are primarily economic. Large-scale capital mobilization — through private investment and public financing — can drive down costs, expand hydrogen infrastructure, and build the necessary DRI-ready facilities. Europe has proven it can be done. Now America must catch up.

The transition to clean steel is arriving at a difficult time for the American steel industry. Once the envy of the world, the American steel industry is a shell of its former glory. The American steel industry has declined in relative and absolute terms over the last half-century. In 1980, the U.S. steel industry produced 111.8 million tons, around 15% of global production. In 2024, the industry produced around 87 million tons, still only around 4% of global production. The fall of the American steel industry is a result of decades of underinvestment, technological stagnation, and a lack of vision. In 2025, Nippon Steel completed its $14.9 billion acquisition of U.S. Steel — the most iconic name in American steel is now Japanese-owned. Cleveland-Cliffs, the other major integrated producer, canceled its flagship hydrogen DRI project and chose to extend the life of its coal-fired blast furnace. Foreign capital is pouring in — Nippon Steel has committed $11 billion in facility investments, Hyundai Steel is building a $6 billion DRI plant in Louisiana — but none of it is directed toward green hydrogen.

The American steel industry can still reverse its decline. The transition to clean steel is an opportunity to rebuild the industry. The shift offers a rare chance to reverse decades of decline, modernize production, and reclaim global leadership in industrial manufacturing. Policymakers must work with the steel industry to build new capacity and win the race to build a clean steel industry. This national mission is a plan to do just that.

The primary goal of this national mission is to double American steel production and end the use of fossil-fuel-powered steelmaking. The goal of doubling steel production is necessary to supply steel for other parts of the Mission for America and to export to other countries. The goal of reducing emissions

is to facilitate our transition to a net-zero economy. Many smaller goals contribute to this larger goal. The specific goals of this national mission are to:

Retire America's 12 remaining blast furnaces and replace them with clean alternatives such as green hydrogen DRI.

Power all electric arc furnaces with 100% clean energy.

End the use of methane DRI.

Scale proven new steelmaking processes such as molten oxide electrolysis.

Support American-made clean steel by replacing blunt tariffs with a carbon border adjustment tax that rewards clean production, following the EU's operational model.

End the shortage of electrical steel that threatens to derail the transitions to 100% clean energy and electric vehicles (EVs).

Grow the number of companies producing steel in the United States by supporting start-ups and encouraging foreign firms to build capacity in the U.S.

End the culture of managed decline in the American steel industry, replacing it with a culture of innovation and investment.

The success of this national mission is only possible within the broader Mission for America framework, where each industrial transformation reinforces the others. The national mission for hydrogen will provide affordable green hydrogen, which itself depends on the national mission for clean power to provide abundant, affordable clean energy for hydrogen production.

The national mission for steel depends on other missions, and its success will also enable others. A robust clean steel industry will create consistent demand for hydrogen, giving investors the confidence to make bold investments in hydrogen production. At the same time, affordable, clean steel will be critical to building the factories, EVs, and clean energy infrastructure that underpin nearly every other mission.

The benefits of this mission are immense. A revived American steel industry producing clean steel would create high-paying union jobs for thousands of Americans. It would also provide demand certainty for companies in the hydrogen industry, creating thousands more jobs in that sector. Furthermore, American-made clean steel will become a hot commodity among other nations embarking on their decarbonization plans, providing America with a new source of export income. This national mission is a once-in-a-generation chance to revive American manufacturing, lead the world in industrial decarbonization, and rebuild the foundations of economic prosperity.

Solutions Overview

The National Mission for Clean Steel addresses key challenges in building a clean steel economy with three comprehensive, interconnected solutions. Each of the three solutions outlined here targets a critical aspect of the mission — expanding domestic steel manufacturing capacity, eliminating dirty steel from the economy, and solving shortages in the specialty steel market. Together, these solutions form

a comprehensive strategy to build a 100% clean steel industry, create good jobs, and reduce American emissions. This section summarizes each solution section's goals and overall strategy.

Solution 1

Expand domestic steel production.

The American steel industry has been in decline for over 40 years, eroding supply chains, national security, and economic prosperity. The major American steel companies made little effort to reverse this decline — until the industry became so weakened that foreign firms began acquiring and building on American soil. This solution reverses that trend by providing the public leadership, strategic investment, and policy coordination necessary to rebuild American steel manufacturing. The primary strategies of this solution include:

Rebuilding the clean steel incentive architecture — the Advanced Energy Project Tax Credit is fully allocated and effectively closed, and other clean energy credits have been gutted. Congress must create successor programs, including a production tax credit for clean steel.

Deploying RFC-backed financing to build new hydrogen-DRI facilities and retrofit existing mills with low-emission technology.

Providing demand certainty by having the RFC coordinate large-scale purchase agreements between steel producers and key industries such as automotive, construction, and clean energy manufacturing.

Accelerating the deployment of new steel production technologies by funding commercialization and tasking the RFC with scaling proven innovations.

Streamlining the production of green hydrogen for steelmakers by supporting the development of on-site renewable energy generation and co-located hydrogen production facilities.

Solution 2

Eliminate the use of high-emissions steel in the United States.

The United States economy is heavily dependent on high-emissions steel products that increase global emissions. The United States is still home to 12 coal-powered blast furnaces — now split between Cleveland-Cliffs and Japanese-owned Nippon Steel — that must be retired immediately to meet the nation's climate goals. The American steel industry also imports large amounts of high-carbon steel products that contribute significantly to global emissions. This solution ends the use of blast furnaces and methane-based DRI in the U.S. while disincentivizing the import of dirty steel products. The primary strategies of this solution include:

Implementing a Clean Steel Standard that requires both primary and recycled steel producers to meet increasingly stringent emissions standards, with the goal of ending the use of blast furnaces and methane DRI and running all EAFs on 100% clean electricity in 10 years.

Instituting a Carbon Border Adjustment Tax (CBAT) on imported pig iron, hot briquetted iron, and high-emissions finished steel — building on the European Union's Carbon Border Adjustment Mechanism, which became operational in January 2026.

Creating a grant program to transition dirty steel production facilities to produce clean steel, contingent on companies maintaining and retraining a large portion of their existing workforce.

Providing RFC financing to accelerate the transition of blast furnace operators to hydrogen-based DRI and electric arc furnace (EAF) steelmaking.

Prioritizing American-made green steel in federal procurement.

Using the president's golden share governance power over U.S. Steel — including a board seat and veto authority — and the presidential bully pulpit to pressure dirty steel companies to transition.

Solution 3

End the shortage of electrical steel.

Electrical steel — a specialty steel essential for transformers, motors, and other electromagnetic applications — is in dangerously short supply. Power transformer lead times have stretched to 128 weeks, prices have risen 77-95% since 2019, and a single company — Cleveland-Cliffs — is the only domestic producer of grain-oriented electrical steel. The shortage is now a national security problem. This solution outlines an emergency plan to expand the production of electrical steel and prevent shortages. The primary strategies of this solution include:

Convening an emergency White House summit with leaders from the RFC, steel, auto, and power industries to coordinate a national response.

Creating a "bonus" production tax credit for domestic electrical steel manufacturers to incentivize rapid expansion.

Deploying RFC-backed investments to fund new clean electrical steel production facilities and upgrade existing plants.

Establishing an inter-industry monitoring task force within the RFC's steel, EV, and clean power teams to track supply and adjust policy as demand evolves.

Solutions Summary

This section summarizes the specific actions proposed in the complete National Mission for Clean Steel. Each solution is organized by the actor responsible for implementation — Congress, the president, the executive branch, and the Reconstruction Finance Corporation (RFC) — though not every solution involves all four actors.

Solution 1: Building an American Clean Steel Industry

Congress

Replace the Advanced Energy Project Tax Credit with a permanent successor. The AEPTC (48C Clean Manufacturing Tax Credit), which provided investment tax credits for industrial decarbonization

projects including clean steel facilities, is fully allocated — all $10 billion has been awarded, with no new rounds planned. The original 48C was oversubscribed, proving the demand exists. Congress must create a larger, permanent replacement that covers all qualifying clean steel projects, is available as direct pay, and extends for 10 years from the start of the national mission.

Create a Clean Steel Production Tax Credit. Congress should introduce a new production tax credit for steel manufacturers that provides a subsidy for companies producing green steel. Congress must impose strict standards for what counts as clean steel production, such as requiring electric arc furnace users to source a set amount of their electricity from clean energy sources and for hydrogen DRI users to adopt green hydrogen. To unlock the full potential of the credit, Congress must make the credit fully refundable for all recipients to guarantee that companies of all types and sizes can benefit from the full credit.

Fund R&D and fast-track commercialization of proven clean steel technologies. Expanded R&D funding for new steel manufacturing technologies is critical to ensuring continued innovation in clean steel production — developing new processes that reduce the need for high-quality iron ore in hydrogen-based DRI production, and advancing alternative production technologies. Boston Metal successfully commissioned an industrial-scale Molten Oxide Electrolysis (MOE) production cell in March 2025 and has attracted $420 million in funding — validating the technology for immediate giga-scale deployment. The Department of Energy (DOE) will oversee a grant program for early-stage research and pilot-scale demonstrations, while the RFC will lead commercialization of technologies like MOE that are ready for full commercial deployment.

President

Win the support of industry leaders and stakeholders — including foreign owners. The success of the steel national mission hinges on the president's ability to rally manufacturers and key industry stakeholders. To that end, the president now possesses an unprecedented legal advantage: a "golden share" in U.S. Steel, secured during Nippon Steel's 2025 acquisition. This non-economic ownership stake grants the federal government direct veto power over major corporate decisions — including facility operations, capital allocation, and capacity changes — as well as the authority to appoint a director to the board. The president must use these and other leverage points to steer the entire industry toward green production. On the campaign trail and in office, the president should cultivate relationships with both foreign and domestic industry leaders, framing them as pivotal leaders in America's economic revival — if they are bold enough to embrace the challenge. Visits to states with active or shuttered steel mills will generate public enthusiasm and reinforce the mission's urgency. Beyond steel producers, the president must also engage major steel consumers, such as the auto industry, to ensure alignment in the transition to clean steel.

Galvanize the public around the revival of the steel industry. The steel industry was once a core part of the American identity. America was the world's largest steel producer from the early 1900s to 1980. There are still Americans alive today who remember the golden age of American steel, and there are communities that never recovered from its decline. The president can use the nation's nostalgia for the golden age of American steel to build support for the steel national mission and the Mission for America

at large. The president will need to pitch the transition of the global steel industry to clean steel as an opportunity to regain America's position as a leader in global steel production. The president should highlight the many other benefits of reviving the steel industry, including making the U.S. less reliant on imports, creating new jobs, reducing emissions, and the inflow of wealth that will go to the world's first clean steel industry.

Executive Branch

Provide demand assurance for clean steel producers through federal procurement. The president should sign an executive order mandating that federal agencies and contractors on federally funded infrastructure projects incorporate a growing percentage of clean steel in their procurement processes. This order should establish clear annual targets for increasing the share of clean steel used in bridges, buildings, transportation projects, and other federally supported construction. By setting a firm timeline for scaling up clean steel procurement, the executive order will create a stable demand signal for producers, encouraging further investment in clean steel manufacturing.

Replace the 50% steel tariff on Day One with a targeted tariff, and create a Steel Tariff Advisory Council to set its schedule. The next president will inherit a 50% tariff on virtually all steel imports, a blunt instrument that protects domestic producers whatever their emissions. As the Foreign Policy chapter sets out, the president will revoke it on Day One and put a targeted steel tariff in its place the same day under existing trade authority, so the industry is never left exposed while the Carbon Border Adjustment Tax phases in. Like every tariff in the Mission for America, the targeted tariff will name the industry it protects, step down on a published schedule as American and allied clean steel production catches up, and come paired with RFC financing for the plants it protects. The president will create a Steel Tariff Advisory Council, made up of experts from the RFC steel division and other relevant government agencies, to recommend that schedule and which products it covers. The goal is a tariff that rewards clean steel production, shields domestic manufacturers from unfair competition, and keeps costs down for industries that rely on steel inputs. Once the Carbon Border Adjustment Tax is running, it will replace the targeted tariff on dirty steel.

RFC

Finance the development of new steel manufacturing facilities. The RFC must use the full scope of their investment tools to help companies build new clean steel factories. Foreign capital is already arriving — Nippon Steel has committed $11 billion, Hyundai Steel is investing $6 billion — but it is flowing toward natural gas DRI. The RFC must steer these investments toward clean production while filling gaps the private sector won't touch. If the steel industry reacts with enthusiasm, then the RFC can easily work with them to ramp up production by offering low-interest loans that help cover the costs of building new facilities. However, if the steel industry does not greet this mission with enthusiasm then the RFC will need to take much more aggressive steps to achieve its goals. Some of these steps include: taking large equity stakes in small but promising steel companies, placing large purchase orders with the first company to produce clean steel at a certain price point, or building RFC-owned steel plants and contracting their operations to another company. Most likely, some mix of all these tools will be used throughout the national mission as the steel industry develops.

Expand the American steel industry by developing new companies. The consolidation of the U.S. steel industry has led to decades of stagnation, with major domestic producers showing little interest in investing in clean steel production. The failure has been so complete that foreign firms — Nippon Steel, Hyundai, POSCO — are now filling the void. If existing companies remain unwilling to embrace the transition to hydrogen DRI, the RFC must focus on fostering new steel manufacturers. The RFC has several tools at its disposal to support new entrants: equity investments, milestone-based contracts modeled after NASA's "COTS" program, and purchase agreements to guarantee demand. By acting as a venture capital firm, the RFC can invest in promising start-ups, ensuring a diverse portfolio that increases the chances of success. Adapting the COTS model, the RFC can structure funding as fixed-rate milestone payments, incentivizing cost efficiency in production. Additionally, offering purchase agreements to the first companies that produce competitive clean steel will provide a guaranteed market and reduce the risk of new investments. These strategies will accelerate the emergence of clean steel companies and establish long-term relationships between producers and consumers, strengthening the domestic steel supply chain.

Provide demand assurance for clean steel. The RFC must provide demand assurance for clean steel producers by arranging purchase orders between clean steel producers and potential buyers such as the automotive or construction industries. The RFC steel team leader will need to work closely with the leaders of other RFC teams to identify potential buyers, and craft investment deals that blunt the higher costs of clean steel for buyers. This demand support is essential to give confidence to clean steel producers that there will be long-term demand for their products.

Commercialize new technologies and processes. The RFC will work closely with the DOE to identify potential innovations in green steel production and help commercialize promising new technologies and processes. The DOE will oversee an R&D program for clean steel, introduced in the Congress section of this solution section, that conducts early-stage research, demonstrations, and pilot projects. The RFC steel team will collaborate with DOE researchers to identify innovations that can make a significant impact on decarbonizing steel production. Once technologies are ready for real-world use, the RFC will facilitate investment deals with companies and patent holders to scale and deploy these technologies across the industry.

Don't wait for the private sector to call; actively seek out new partnerships. Given the steel industry's history of resisting change, the RFC will need to take the lead in driving investment in clean steel manufacturing. The RFC should employ two primary strategies: leveraging the steel team leader's industry connections and publicly issuing investment offers. The team leader, chosen for their deep industry ties, must engage steel executives directly and advocate for the mission at industry events, ensuring that the RFC's commitment is well understood. If major steelmakers refuse to engage, the RFC will pivot toward start-ups, smaller companies, and the foreign firms already investing in U.S.-based steel production — but on the condition that their investments include hydrogen-ready infrastructure and binding green hydrogen conversion timelines. The message must be clear: clean steel is the future, and the RFC will ensure its development — whether the industry's established players choose to lead or be left behind.

Make sure RFC investments result in projects getting completed by clearing bottlenecks. The RFC is responsible for ensuring the success of their investments after a loan is disbursed, purchase order is placed, or a factory is built. The RFC team leader will need to meet regularly with developers for status updates on projects and be alerted of any bottlenecks that emerge. If a bottleneck does emerge, the RFC must act immediately to clear it.

Announce a large "Day One" investment to represent the steel national mission. The president must secure a major investment in clean steel manufacturing before officially launching the steel national mission, ensuring the RFC is positioned to make a high-profile commitment from day one. During the transition and early days in office, the president should engage with industry leaders to negotiate an investment deal that signals the administration's seriousness about revitalizing American steel. This initial investment should target a former industrial hub or a traditionally low-income community to emphasize that the Mission for America is focused on economic renewal in communities long neglected by national policy. A well-executed "Day One" investment will build public confidence in the RFC, attract private capital, and demonstrate that clean steel production is a viable, large-scale industry in the U.S. However, failure to deliver on this investment could undermine the credibility of the national mission, deter investors, and reinforce skepticism among legacy steelmakers.

Solution 2: Eliminating Dirty Steel in the United States

Congress

Create a Clean Steel Standard. Congress must introduce new regulations requiring steel manufacturers to meet increasingly stringent emissions standards for domestically produced steel. The regulations will phase in over the course of 10 years, and at the end of those 10 years the use of fossil fuels in steel production will be entirely eliminated. Congress will need to create two unique standards: one for primary steel production and one for recycled steel. The primary steel production standard will require steel producers to transition away from blast furnaces and to green hydrogen-DRI production or other zero-emission processes such as Molten Oxide Electrolysis (MOE). The standard for recycled steel will require companies to source an increasing amount of their electricity for EAFs from clean electricity sources.

Congress must mandate that all DRI production facilities and EAF furnaces phase out the use of methane (natural gas) in 10 years. Congress should introduce new regulations that ban the use of methane in the steelmaking process beginning 10 years after the start of the national mission. Many steelmakers say that the continued use of methane in steel production, either as a form of energy generation for EAFs or to produce hydrogen, is required to produce steel at a competitive price. However, this will no longer be an issue as the price of clean energy and green hydrogen declines. The current incentive landscape has deteriorated — the 45V hydrogen production tax credit expires in December 2027, and clean electricity credits are being phased down — but the national mission will rebuild these incentives at the scale necessary to make the transition economically inevitable.

Institute a Carbon Border Adjustment Tax (CBAT) on foreign steel. The European Union's Carbon Border Adjustment Mechanism became operational in January 2026, establishing the global precedent for carbon-differentiated trade policy. Congress must create a CBAT that builds on this precedent, targeting dirty steel imports to protect the Mission for America's climate goals, allow American clean steel to compete internationally, and encourage other nations to invest in clean steel. The CBAT for dirty steel will be implemented gradually. Congress should set the initial rate low to avoid stifling industries vital to the Mission for America such as the auto industry. Over time, this tax will be subjected to carefully considered increases, ensuring that it moves in sync with changing industry and market needs. Congress should delegate authority to the president to temporarily halt increases in, or even suspend, the CBAT for a specific product if it is placing an excessive burden on domestic consumers or a clean alternative is not available. The steel CBAT will be part of the wider border fee described in the Foreign Policy chapter, which covers steel, cement, aluminum, and chemicals and is aligned with the EU's mechanism.

Create a new grant program for retrofitting existing integrated steel mills for hydrogen DRI. A grant program for companies retrofitting existing integrated steel mills will provide a multitude of benefits for steel companies and workers alike. Building new integrated steel mills is an expensive and time-consuming process. It takes years to identify a suitable community for the steel mill, obtain all the necessary permits, construct the mill, and hire new workers. Retrofitting existing integrated steel mills allows companies to bypass this process and potentially save billions of dollars. It will also allow workers to continue to work at the existing steel mill. All grants must be conditioned on hydrogen-ready infrastructure design and binding timelines for full green hydrogen conversion — otherwise, public money risks subsidizing fossil-fuel lock-in.

President

Convince the leaders of the blast furnace operators to commit to replacing their blast furnaces with green hydrogen DRI. The president has an unprecedented advantage: a golden share in U.S. Steel (now owned by Nippon Steel) that grants a board seat and veto power over major corporate decisions. For Cleveland-Cliffs, the president must use the full weight of persuasion and public pressure. The president can spend time developing relationships with the leaders of both companies, making it easier to persuade them to commit to the mission's goals. If the companies are not moved by the president's persuasion and remain intransigent, then the president must shift gears and begin applying public pressure to the companies. The small number of relevant companies will make it easier for the president to do this successfully. The president can name and shame the individual companies with precision. It is difficult for even the most successful corporate leaders to stand in active defiance of the president for an extended period of time. If companies willingly take advantage of the resources given to them and follow through on their commitments to replace their blast furnaces, then the president should publicly applaud them and maintain the relationship they made.

RFC

Work directly with the blast furnace operators to create transition plans. With blast furnaces now split between Cleveland-Cliffs and Nippon Steel's U.S. Steel, the RFC can work closely with both to craft tailored investment strategies that accelerate their transition to hydrogen-based direct reduced

iron. Nippon Steel has already committed $11 billion in facility investments — the RFC must ensure these investments include hydrogen-ready infrastructure and binding conversion timelines. The RFC should offer long-term, low-interest loans or direct equity investments to provide the capital necessary for this shift, factoring in indirect costs such as workforce retraining, energy procurement, and contract buyouts from fossil fuel suppliers. If needed, the RFC could also finance new hydrogen DRI facilities using a Government-Owned, Contractor-Operated (GOCO) model, covering construction costs and leasing operations to the steelmakers.

Rely on the RFC steel team leader's connection to the steel industry to put further pressure on CEOs. The RFC steel team leader must have deep industry experience to effectively pressure Cleveland-Cliffs and Nippon Steel's U.S. Steel into transitioning away from blast furnaces. A leader with industry knowledge will understand each company's financial standing, fossil fuel ties, and specific transition needs, while also having personal connections with key executives. This insider perspective will help identify stalling tactics and ensure that commitments to hydrogen-based steelmaking are genuine. If executives hesitate or prioritize short-term profits over long-term compliance, the RFC leader can use their credibility to push for action — first through persuasion and, if necessary, by reinforcing the reality that blast furnaces will be legally phased out over the next 10 years. Industry leaders are far more likely to take these warnings seriously when they come from a trusted industry peer.

Solution 3: Solving Shortages in the Specialty Steel Market

Congress

Create a "bonus" Production Tax Credit (PTC) for clean electrical steel. Congress should create a new production tax credit that provides a payout for every thousand tonnes of clean electrical steel a company produces in a given tax year. Congress can also expand this credit to include any other types of specialized steel it deems necessary. Companies can claim both this credit and the Clean Steel PTC introduced in Solution 1. This tax credit, in collaboration with the Clean Steel PTC, will encourage investors to prioritize areas of the steel industry that are most in need of near-term investment. Congress should extend the credit for 10 years and allow for all companies to claim the credit as direct pay.

President

Convene an Emergency Summit on Electrical Steel Shortages. The president must bring together industry leaders from utilities, automakers, the steel industry, and the RFC for an emergency summit to address the immediate shortage of electrical steel and lay the foundation for long-term expansion. The summit should achieve five key objectives: raising public awareness about the severity of the shortage, establishing a consensus that this is a national emergency, quantifying the short-term needs of utilities and automakers, introducing industry leaders to the RFC steel team, and securing commitments from steelmakers to ramp up production. The president must ensure that by the end of the summit, the industry has a clear path to meeting the immediate demand for electrical steel. Beyond the summit, the president

must remain actively engaged in the industry by holding regular briefings with RFC teams, removing bottlenecks where necessary, and publicly pressuring companies that fail to follow through.

Maintain pressure on the electrical steelmakers to continue to invest after the short-term supply crisis is resolved. There will likely be a desire from the steel industry to declare "mission accomplished" once the short-term electrical steel shortage has been resolved. Some executives will want to return to normal and pause investments in new production facilities. However, the demand for electrical steel will continue to grow as utilities continue to upgrade the grid and auto manufacturers increase EV production. If steelmakers become complacent, then America will inevitably find itself in another electrical steel shortage. The president must fight against the industry's complacency as soon as it emerges.

Call out electrical steelmakers who intend to exploit shortages for profit. If electrical steel manufacturers attempt to artificially limit supply and drive up prices, the president must directly call them out and make clear that their greed will not be tolerated. Some executives have already signaled their intent to exploit shortages for financial gain, threatening to slow grid expansion, kill American jobs, and hinder the clean energy transition. The president should publicly name these CEOs in campaign speeches and Mission for America updates, exposing their actions to the American people. Public pressure alone may push them to invest in expanding production, but if they refuse, the president must make it clear that the federal government will back new competitors to break their hold on the market. These executives will quickly realize that their short-term profiteering only accelerated their own obsolescence as new companies rise to meet the nation's demand for electrical steel.

Keep electrical steel out of the targeted tariff while the shortage lasts. The president will rely on the Steel Tariff Advisory Council introduced in Solution 1 for regular updates on the market for electrical steel and other specialized steels. Electrical steel will be left out of the targeted tariff for as long as the shortage persists, because a tariff on a product with only one domestic producer raises its price and deepens the shortage. Once domestic electrical steel manufacturers scale up, a small targeted tariff on foreign electrical steel may make sense, on the same terms as every other tariff in the Mission, with a published step-down schedule and RFC financing behind the plants it protects. The president should be very careful with tariffs on electrical steel or any other specialized steel and weigh whether they would endanger the goals of other national missions.

RFC

Invest in clean electrical steel capacity. The RFC must make bold, immediate investments in electrical steel production to ensure the Mission for America's success. Delays in expanding capacity will create supply shortages that threaten grid expansion, EV manufacturing, and other critical national missions. The steel team leader must treat this as an urgent priority, maintaining close communication with producers and consumers to track market conditions and push for rapid investment. If existing steelmakers hesitate to scale up, the team leader should use every available tool — private negotiations, public pressure, and direct RFC-backed competition — to ensure supply meets demand.

Work alongside other teams within the RFC to monitor the state of the electrical steel market. The steel, clean power, and EV teams will need to maintain active cooperation throughout the entire

duration of the Mission for America to ensure that utilities and domestic EV manufacturers have enough electrical steel to meet their production targets. The decade-long endeavor to expand the U.S. power grid and triple the size of the automotive industry will see fluctuating yet predominantly rising demand for electrical steel. Constant dialogue among the three RFC teams, as well as regular consultations with key figures in the private sector, will be necessary to gauge how much electrical steel is required for the clean power and EV missions to stay on track.