



BIDEN MAKES GOOD ON PROMISE TO HAVE STEELWORKERS' BACKS

January 3, 2025

Dear Brothers and Sisters,

President Joe Biden today blocked the sale of U.S. Steel to Japanese-owned Nippon Steel. He rightly found that the deal posed a serious threat to the long-term security of our domestic steel industry.

In announcing his decision, President Biden stated that, “a strong domestically owned and operated steel industry represents an essential national security priority and is critical for resilient supply chains. That is because steel powers our country: our infrastructure, our auto industry, and our defense industrial base. Without domestic steel production and domestic steel workers, our nation is less strong and less secure.”

He continued: “We need major U.S. companies representing the major share of U.S. steelmaking capacity to keep leading the fight on behalf of America’s national interests. As a committee of national security and trade experts across the executive branch determined, this acquisition would place one of America’s largest steel producers under foreign control and create risk for our national security and our critical supply chains.”

Our union appreciates President Biden’s careful attention to this situation. Our only concern throughout the year that the proposed sale was under review has been ensuring the long-term viability of our facilities and the security of our members, their families, and our communities. It was clear that Nippon ownership threatened this goal.

RISK TOO GREAT

Nippon proved time and again that it’s a serial trade cheater that has already caused serious harm to our industry by dumping its products into our markets. These unfair trade practices go back decades and include many of the products we make in our facilities. Recently, the Commerce Department issued a determination that found Nippon was dumping hot rolled product.

Our union works too hard to protect our workplaces from unfair trade to allow a predatory company like Nippon to undermine our industry from the inside.

On the day that U.S. Steel announced this deal, Nippon told investors that it intended to follow U.S. Steel’s plans to move production to the non-union facility in Arkansas, a statement it never walked back. In direct discussions we had with Nippon Steel in recent weeks, Nippon Steel Vice Chairman Takahiro Mori confirmed our concerns.

Nippon's commitments remained to the end riddled with exceptions and conditions that allowed it to back out at any time, and whenever Nippon felt that the deal was at risk, it tossed in additional promises. Most of these only went as far as the expiration of our current contract on September 1, 2026. At that point, there would have been nothing to stop it from harvesting our assets and transferring production to Big River in Arkansas.

FOCUS ON THE FUTURE

Now that President Biden blocked the deal, we can and must focus on the future. Despite CEO David Burritt's irresponsible threats and self-interested leadership, U.S. Steel is a viable, profitable company with more than \$4 billion in liquidity.

There were also several other parties interested in purchasing U.S. Steel last year. If any of them make another bid, our union will evaluate those offers with the same level of scrutiny we brought to this deal to determine whether they adequately prioritize our facilities and our members for the long term.

We know this past year has been difficult as you were bombarded with management's relentless propaganda that sought to divide and weaken us. However, we were never distracted and our strength and solidarity prevailed. Regardless of what comes next, our union will continue fighting for every member.

In Solidarity,



Mike Millsap
District 7 Director &
Chairman of the Negotiating Committee



David McCall
International
President