



# NO GOING BACK: PROPOSED USS SALE THREATENS LONG-TERM, RETIREMENT SECURITY

September 12, 2024

Dear Brothers and Sisters,

Our union is no stranger to mergers and acquisitions, and we have seen firsthand how all too often workers and retirees are treated as an afterthought once top executives and shareholders have cashed in.

Management at U.S. Steel and Nippon have given every indication that they are looking out for their personal interests in their proposed transaction – **not** for the long-term security of our plants, our jobs or the security of our nation.

## PAST FAILURES

In the wake of the 1998 Asian economic crisis, steel imports to the U.S. rose to record levels, steel prices collapsed and America became an illegal dumping ground for unfairly traded imports, leading to 45 steel companies declaring bankruptcy. This resulted in the shutdown of 18 plants and the loss of 55,000 jobs.

The Pension Benefit Guaranty Corporation (PBGC) initiated 16 involuntary pension plan terminations, involving more than a quarter million participants and resulting in benefit cutbacks for many retirees. The bankruptcies additionally resulted in the loss of retiree health care benefits for hundreds of thousands of retirees and dependents.

Put simply, reckless management and overcapacity spurred by unfair trade left retirees in the lurch, and it was only because of our union's work that our members were able to salvage any measure of retirement security.

## UNION SOLUTIONS

Since the first wave of steel bankruptcies and shutdowns in the 1980s, our union has been hard at work.

We demanded fair trade, rallied for tariffs on dumped imported steel, and led efforts to consolidate the domestic industry, restore benefits, and improve productivity and capital investment.

The USW has also sought to protect its members and retirees by negotiating strong contractual protections for our benefits to protect jobs and benefits from bad deals hatched by corporate executives, investors, and banks whose last interest was protecting workers and retirees.

Among these protections, negotiated in the transformative BLA with USS in 2003, is the enforceable contractual requirement that an ultimate parent in any sale be a signatory of our collective bargaining agreements.

This prevents companies from pushing off our contracts, pension plans, and retiree insurance benefits to shell companies that lack the means to fulfill these commitments.

**Yet that is exactly what Nippon, the ultimate parent of the USS/Nippon transaction, seeks to do by refusing to be the signatory to our contracts, hiding behind Nippon Steel North America.**

## **PRESENT THREATS**

Now as Nippon, a foreign competitor with a long history of dumping steel in U.S. markets, is seeking to take over yet another iconic American steelmaker, we once again must address significant concerns about the long-term future of our facilities, our communities and our country.

When USS and Nippon abruptly announced their proposed sale in December 2023, Nippon made clear it intended to follow USS's business plan, which includes running away from its union workforce and integrated steelmaking and toward non-union facilities in Arkansas.

Since December, USS has spent tens of millions of dollars to pay lobbyists and additional amounts to blanket the airwaves with slick ads filled with more empty promises.

USS/Nippon's most recent commercials, released this week, are more of the same doublespeak, this time about decarbonizing steel production. **But we know exactly what that means; it's a euphemism for shutting down coke production and blast furnaces and heading to non-union facilities in Arkansas.** That's Nippon's true commitment to the Mon Valley.

And, in continuing U.S. Steel's long plan to flee from our operations, Nippon would push off our labor, pension, and retiree insurance agreements onto Nippon Steel North America, a shell company.

As a union, we bargained strong protections to ensure retirement security for our members, but this transaction threatens everything we negotiated for the current workforce and tens of thousands of retirees and surviving spouses.

Generations of USW members devoted their entire working lives to making the melted, poured and finished steel products our country needs for our national defense and critical infrastructure. And as a part of their compensation, they earned the retirement benefits they will need to live out their lives in dignity. We cannot let greedy executives pursuing personal profit put all of this at risk.



**Mike Millsap**  
District 7 Director &  
Chairman of the Negotiating Committee



**David McCall**  
International  
President