



# THE USW IS FIGHTING FOR ALL MEMBERS AT USS

November 26, 2024

Dear Brothers and Sisters,

We know that for the past year you have been bombarded with letters, interviews, videos and meetings with the various USS management and leaders from Nippon, along with a sea of ads, on TV and billboards, at sporting events and airports, and even mailed into your homes. USS and Nippon have done their best – and spent top dollar – to try to convince you that this potential sale is just as good for workers as it is for stockholders.

This doublespeak is the same tactic that CEO Dave Burritt employed in the past when he tried to get concessions from you during the last two rounds of negotiations. We all know Burritt is good at twisting the facts to help him achieve his goals. When he said publicly during our most recent round of bargaining that he'd like to pay out more in profit sharing, what he really meant is that he wanted to claw back the wage increases. In every set of negotiations since he became CEO of U.S. Steel in 2017, Burritt has tried to slash your health care benefits and make you pay monthly health care premiums. He has demanded concessions in every round of bargaining, and he's doing his best to do it again.

Lately, USS and Nippon have rolled out a full court press to secure your support and the support of community leaders for their proposed transaction. The companies made both empty promises and real threats to local community leaders, our USW members and anyone else who will listen. But in spite of all the lofty rhetoric, it's clear that Burritt still does not care about workers. All he cares about is the \$72 million he'll get cashing in on the deal and the dollars per share that the stockholders (including him) are going to receive.

**When this deal was announced, Nippon Vice President Takahiro Mori publicly stated that Nippon would follow the USS plan and would eventually transfer production from current facilities to Big River. Since then, he's never walked back that comment, deepening our concerns that Nippon will be no better than USS.**

We all know that USS has a history of broken commitments, resulting in shutting down steelmaking and other operations at both Great Lakes and Granite City. It broke its promise of more than \$1 billion in new and updated technology in the Mon Valley, and then instead decided to buy Big River. It shut down the East Chicago Tin Mill, the UPI Tin Mill and then idled tin operations at the Gary and Midwest plants. In addition, USS shut down Lone Star Steel, the Lorain, Ohio plant and coke batteries at Clairton.

In our initial information request to Nippon, we asked for a list of pending and approved capital investment projects and which projects, specifically, Nippon Steel would approve and implement. We also noted the \$1 billion capital investment commitment under the 2022 Labor Agreement. Nippon replied that USS had already satisfied its investment commitment and that it would “be in a position to review any potential additional capital expenditures” only after its purchase of USS was completed. In March 2024, Nippon Steel announced it would make capital investments of no less than \$1.4 billion during 2024-2026. It was not until the August 29, 2024 press release that Nippon Steel acknowledged that the initial \$1.4 billion included only sustain- ing repair and maintenance expenditure and no growth capital investment.

When USS and Nippon received letters from the government in August 2024 saying the deal was in jeopardy due to national security concerns, Nippon issued a press release announcing that it would invest another \$1.3 billion, though it never offered that commitment to the union. This announcement was for a new or upgraded hot mill in the Mon Valley and \$300 million in #14 blast furnace in Gary without timelines or specifics.

**Even if Nippon, in fact, follows through, this leaves us with urgent questions: If the only invest- ment is the hot mill in the Mon Valley and #14 blast furnace what happens to the downstream operations? What about the rest of the assets at Irvin? What about the coke operations at Clairton? What about the blast furnaces, BOFs and casters at Edgar Thomson? What about the hot mill, cold mills and tin operations in Gary and the midwest? What about the other two blast furnaces and BOFs and casters in Gary? What about blast furnaces in Granite City and the ongoing operations in both Granite City and Great Lakes? What about the Fairless plant? What is the future of tubular in Alabama? What is the plan for sustainability of the mines?**

When the union asked about these operations, Nippon’s response was we would talk after the sale. This is not how we work. We don’t bargain contracts on faith, and we don’t accept promises that don’t come with enforceable guarantees. There are real opportunities to expand the market and increase the amount of quality products that USW members make efficiently and safely. But this will only happen if the people managing USS have the willingness to meaningfully invest in our facilities and our workforce.

It’s our obligation to press USS and Nippon on future plans, just as it has always been our responsibility to protect the long-term future of steelmaking jobs in our country. Based on Mori’s statements it won’t be long before Nippon implements its plan and transfers production from our facilities to Big River.

As a union, our primary concern is the future of our jobs and the communities we live and work in – not just this year, but also for the foreseeable future. We’ve seen job losses in the past, and we must do everything we can to avoid it in the future. We have to reject the empty promises and irresponsible threats that have many community leaders clamoring for the deal. We need to stand up against the devastation Nippon’s long-term plans will bring to our communities and reject the short-term monetary gains for USS executive management and the stockholders.

## MEETINGS UPDATE

When we first met with Hiroshi Ono, President and CEO of Nippon Steel North America, and his team, he said directly he would not amend or modify the BLA to provide relief for our concerns regarding Nippon's ownership. Since that time, Nippon management made either worthless public statements or sent the union letters that are full of wiggle words and escape clauses. We have not received a single enforceable guarantee that our jobs and facilities will be a priority for the long haul. **In short, for every commitment that Nippon claims to make, it provides itself a way to walk away from the commitment without recourse.**

Nippon management continues to claim that the USW international union refuses to meet with them. What we won't do is agree to support this ill-conceived deal without real guardrails. We met and had discussions, both in person and in writing, with Nippon and USS. We discussed the needs and desires of our members and the ongoing concerns about the economic sustainability of future employment for the communities where we continue to operate. We continue to ask questions about the future of our operations, and we continue to get the same responses that we got at the first meeting: we will talk about it after the sale. Nippon doesn't have any answers, just empty promises.

## WHY DID THE USW ASSIGN OUR BID RIGHTS TO CLEVELAND-CLIFFS?

USS and Nippon also continue to be critical of the USW because early on in the process the union assigned our right to bid to Cleveland-Cliffs in its efforts to acquire USS. We supported Cliffs in the initial bid because Cliffs committed to us that if a sale of USS occurred, no USW member would lose their job. It had a solid plan that would invest in all our facilities and allow for an expansion of the markets.

It committed to continuing to make steel in America and operating blast furnaces. Cliffs further committed to much-needed capital investment in our downstream facilities and to adhere to all our contract provisions, including pensions, health care and profit sharing. Regrettably, USS's board of directors decided to turn its back on American steelmaking and chased the highest dollar.

## WE NEED TO FOCUS ON THE FUTURE OF U.S. STEELMAKING

Since December 18, we have asked our elected representatives to ensure that the proposed transaction be subject to strict government scrutiny for its impact on global trade and on domestic steelmaking. Through the Committee on Foreign Investment in the United States (CFIUS), our government must also scrutinize this investment by a foreign steelmaker for its potential impact on national security and supply chain reliability.

As you all know, the USW for decades has fought to enforce our trade laws against bad actors in the global steel market. And while Japan is a political ally, it is also an economic competitor, one that has proven time and again that it is willing to promote its steel industry at our expense. The USW has repeatedly argued that dumping steel into our country suppresses our domestic capacity, causing grave national security concerns. We must have steel for our critical infrastructure and our military – now and during any time of crisis that might arise in the future.

Nippon, however, has flouted our trade laws for nearly as long as we've been sounding the alarm. Nippon has been subject to no fewer than 12 recent antidumping orders on steel products, including a determination just this month in which the Commerce Department found Nippon was dumping hot rolled product.

Some of these orders against Nippon go back more than 20 years and have remained in place because Commerce repeatedly found that revocation of the order would lead to more unfair trade, while the International Trade Commission repeatedly found that the resumption of unfair trade would lead to continuation or recurrence of injury to U.S. jobs and facilities.

U.S. Steel makes many of the products currently under order, including seamless pipe, tin mill, cold-rolled steel, and hot-rolled steel. In these cases – or any others where U.S. Steel may have an interest – Nippon may promise that it will not oppose action under our trade laws, but there is nothing to require it to file needed trade cases to protect U.S. Steel's domestic operations and fight for our domestic industry. We will also be at the mercy of its global operations competing for capital with its subsidiaries around the world, even if there is, technically, no dumping.

**All of this is on top of the damage Nippon could inflict from within our market: its capacity to harvest the current assets as it transfers production to Big River. It may promise to limit its exports of slabs to the United States, but what happens if it reduces the capacity to actually produce steel here? If Nippon is permitted to acquire USS, and this happens, our nation would not be able to undo the damage.**

Both Republican and Democratic administrations have reinforced the fact that steel production is vital to our national security, our economic security and our critical infrastructure. The challenges our nation faced in recent years shined a spotlight on how vital it is to ensure we have the capacity to meet our own needs rather than relying on shaky global supply chains. This is doubly important now that the national security threats we face are greater today than they have been in decades.

Altogether, the proposed sale is bad for workers, our communities and the domestic industry – as well as our national security, critical infrastructure and domestic supply chains. We must continue to resist it – together.



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