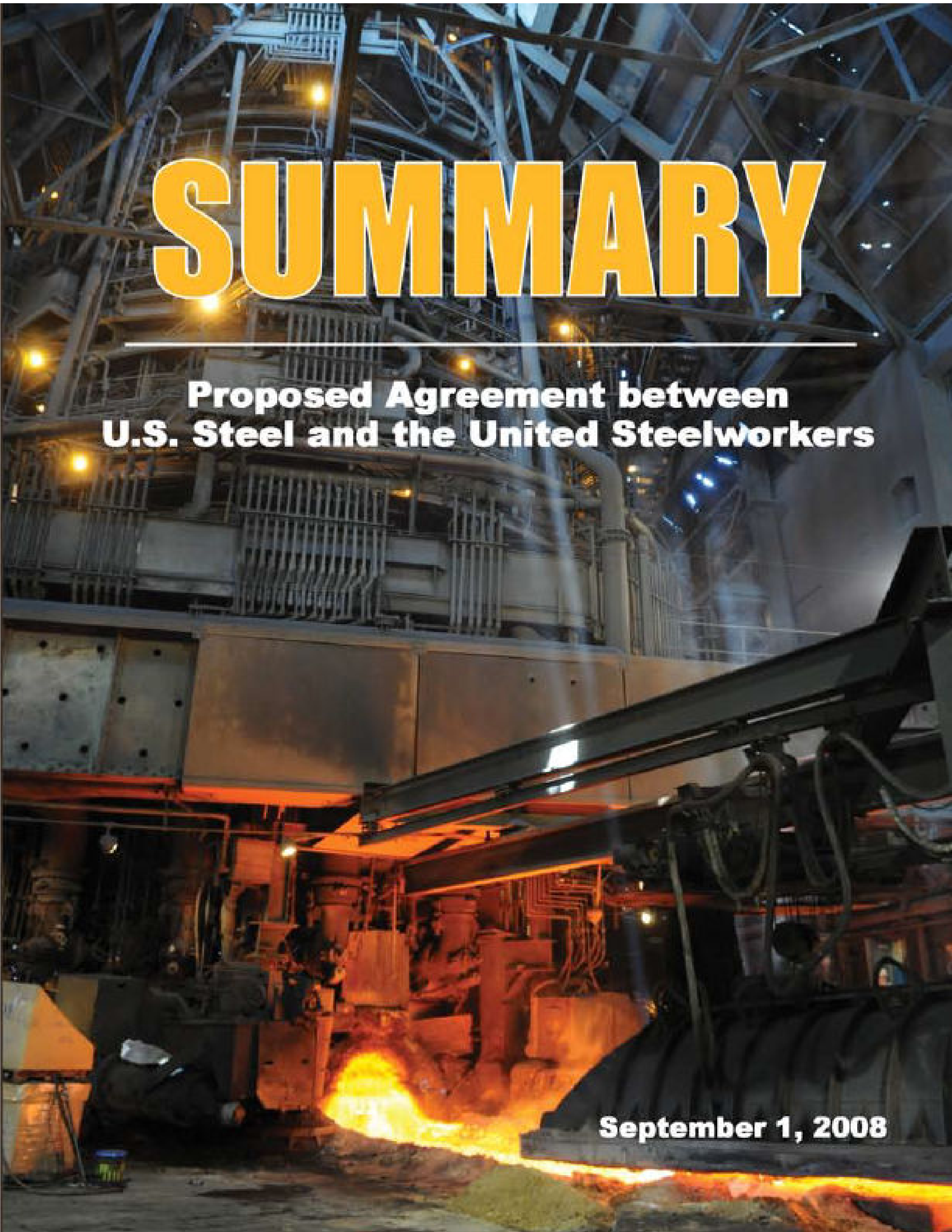

SUMMARY

Proposed Agreement between U.S. Steel and the United Steelworkers

September 1, 2008

Your Bargaining Committee

Front Row (l to r) Chuck Jackson, Edgar Thompson; Ginger DeCoster, Great Lakes O&T; Mike Woods, Minntac; Tom Conway, International Vice President and Chief Negotiator; Mike Millsap, Secretary to the Bargaining Committee; Russ Saltsgaver, Granite City Steelmaking; Louise Zimmerman, Lorain O&T.

Middle (l to r) Mary Holland, Fairfield O&T; Randy Dean, Lone Star; Jeff Evans, Granite City Electrical; Joe Ballas, Irvin Works; Anthony Galoozis, Gary Works Finishing; Tim Thomas, Midwest O&T; Bill Gunnin, Fairfield Finishing; Lisa Fleckenstein, Mon Valley O&T; Jason Hughes, East Chicago Tin

Top (l to r) Jerry Siner, Granite City Coke & Iron; Don Golden, Lorain; Cherie Averill Manner, Minntac O&T; Patty Bigler, Gary O&T; Bill Kalin, Midwest; Jack Thronson, Keetac; Andy Miklos, Clairton Coke Works; Marc Barragan, Great Lakes; Steve Tunello, Fairfield Steelmaking & Tubular; Jerry Littles, Gary Iron & Steelmaking; Mike Russo, Fairless

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Securing Our Future

Dear Brothers and Sisters,

When we ratified our last labor agreement five years ago, the steel industry was in dire straits. The global financial crisis had dumped unprecedented tons of unfairly traded steel on our shores, causing nearly 50 steel companies to go into bankruptcy. Steel mills and ore mines were shutting down across the country. Tens of thousands of union members were out of work. Pension funds went bust and were seized by the PBGC, leaving many of our retirees with substantially reduced monthly pension checks.

We were fighting at all levels of government, in the courts and on the streets. It seemed hopeless at times and the losses kept mounting and our backs were against the wall. We met in Pittsburgh at the Basic Steel Industry Conference and together, we made tough decisions. We left united and turned to the bargaining table. Our union took the lead and stepped up to the challenges of restructuring the industry and ensuring that our plants and our members survived the consolidation that we insisted needed to take place if steel in America were to survive. Now we can enjoy the results of that tough work and the hard decisions we made together.

Our entire union joined the fight back. Our sad state of affairs was clearly caused by the misguided trade policies of our federal government. We led 30,000 Steelworkers in a march on the White House to demand that our government act, and we finally won tariffs on unfairly traded steel imports. Our success in winning the tariffs is unprecedented. However, it only bought us time. We knew the tariffs were only temporary, and we had to take action to permanently fix our industry.

Management knew changes had to be made, but they would have made a disastrously wrong decision if we had not stopped them. In those tough economic times, the company planned to raise cash by selling off its raw materials and transportation operations. We stopped them cold. And because we did not allow that to happen, U.S. Steel is one of the most profitable steel companies in North America. Now that the price of raw materials has soared, the company does not have to purchase them on the open market. That’s what stands them apart.

In order for a steel company to survive over the long term, it must be able to compete globally. For that to happen, we knew that U.S. Steel had to restructure. Our last labor agreement accomplished that. We streamlined our operations, took on more responsibilities, reduced job classes and protected our seniority. Most importantly, we protected our wages, benefits and pensions.

Today, U.S. Steel is the most profitable steel company in the country. Our collective efforts are largely responsible for the company’s success. It was not accomplished, however, without some problems.

Some supervisors used workplace changes to violate the fundamental principle of our union – our basic seniority rights. This agreement will correct these inequities. Workplace restructuring is over and foremen will no longer be able to abuse any workers' seniority rights. We have negotiated rules that provide us with the ability to choose our shifts and assignments by seniority, within the box.

Outside contractors have always been a tough issue in our relationship with the steel companies and we have made significant breakthroughs. Now we will have a base manning maintenance agreement that provides more contracting-out protection, guarantees that we will be directly involved in the planning of maintenance in the plants, guarantees of work and overtime opportunity if we want to work it, and the agreement is coupled to an agreed reduction of contractors which will provide us with more USW jobs. Importantly, it requires the company to work together with our union to expand and train our maintenance work force and build a solid base of technicians to meet our maintenance needs. We'll do this in-house with USW experienced technicians.

Our future as an employee or retiree with U.S. Steel is based on the company's competitiveness in the marketplace. Our production units must be state-of-the-art to be profitable in a global steel market. Therefore, we have demanded and won a multi-billion dollar capital investment commitment that changes the standard of how the company maintains our plants and insures they are maintained at world class levels and that the North American properties have all the tools they need to compete and meet the markets demands.

With an awareness of the threat of global warming and how it may impact industry, we have made an historic agreement to create an "Energy Efficiency and Carbon Emissions Task Force" to protect and benefit our industry and our environment and lead the way on this crucial issue to the basic steel industry.

The fortunes of U.S. Steel have changed dramatically since our last agreement, thanks in large part to the hard work of their employees – the men and women who are members of the USW. The company is fully aware of this. When we put our economic package on the table, the company knew we were firm in our demands.

This new agreement provides very significant wage, bonus and pension increases and improves our benefit programs. There are only improvements. No steps back. In addition, we have negotiated improved benefits and lowered members' cost of retiree health care both for our current retirees and those who will retiree in the years to come. This is pretty historic when you consider the effects of constantly rising health care costs in America.

We believe no union has left the bargaining table in the last decade and has been able to say that we improved the standing of our retired members and reduced their out of pocket expenses and have effectively increased what they have to live on each month. You should be proud of your union's commitment to remember those who came before us.

As you read through the details of this new labor agreement, please know that we are fulfilling our commitment to our members, our retirees and our communities. As union members we must never forget those who came before us, and we must also look to the future and make sure the next generation is protected as we prepare for our years in retirement. To the end we have structured trusts and bargained funding in such a way as to provide for the future years and for those times when things might not be as good as today. The union continues to make strategic choices and decisions with an eye toward the future to be sure we never again go through what we endured in the early part of this decade.

We are proud of the work we have accomplished and therefore, your bargaining committee strongly recommends this agreement for ratification.

In solidarity,

Leo W. Gerard
International President
BSIC Chairman

Thomas Conway
International Vice President
BSIC Secretary

Michael Millsap
Sub District Director
Bargaining Committee Secretary

Dave McCall
Director, District 1

Michael Bolton
Director, District 2

Jim Robinson
Director, District 7

Stan Johnson
Director, District 9

John DeFazio
Director, District 10

Robert Bratulich
Director, District 11

Highlights

Term of Agreement:
Effective upon membership ratification, the proposed Agreement will expire on September 1, 2012; benefits Agreements will remain in effect for an additional five months beyond the expiration date.

Wage Increases:
Wage increases of $1.00 per hour in the first year, 4% in the second year, 4% in the third year and 4% in the fourth year were negotiated for every location.

Signing Bonus:
Each Employee who is actively at work on September 1, 2008 will receive a cash payment of $6,000 on or before October 1, 2008.

Profit Sharing:
The 2003 profit sharing formula will remain unchanged for the life of the proposed 2008 Agreement. However, beginning with the first quarter of 2009 and all future quarters covered by the 2008 proposed Agreement, if profit sharing payments for any quarter are more than $10 per hour due to the Company's European operations, the excess money will be banked and if profit sharing exceeds $20,000 a year per member, the excess will be contributed to the trust account designed to help offset our future health care costs.

Active Employee Benefits:
The proposed Agreement provides improvements to the existing medical, prescription drug, dental, vision, life and S&A benefits for all eligible Employees. Prescription drug copays are unchanged from the 2003 Agreement.

Pensions:
For current U.S. Steel Employees who are covered under the U.S. Steel Carnegie Pension Fund, the minimum pension formula multipliers will be increased as follows:

- Up to 30 years, accured prior to Jan. 1, 2009 -- $65
- Years of service over 30 years, accrued prior to Jan. 1, 2009 -- $85
- All years of service, going forward from Jan. 1, 2009 -- $100

For U.S. Steel Employees covered by the Steelworkers Pension Trust (SPT), the contribution rate will be increased from $1.80 to $2.65 per hour.

Former National Steel Employees age 60 and older who retire between January 1, 2009 and the end of the term of the proposed Agreement will receive a $7,500 special payment.

Retiree Benefits:
The proposed Agreement replaces the existing medical program for retirees with a new plan designed to

mirror the healthcare plan for active Employees. Retiree premiums are reduced to $150 for pre-Medicare retirees and $75 for Medicare eligible retirees; these amounts are fixed for the term of the proposed Agreement. Similarly, premiums for surviving spouses are reduced to $125 for pre-Medicare surviving spouses and $50 for Medicare eligible surviving spouses; these amounts are also fixed for the term of the proposed Agreement.

Funding Retiree Healthcare for the Future:

In addition to the significant financial funding put towards the current retirees, the Company will establish a separate "restricted" account within our VEBA that will be funded with a minimum of $350 million over the term of the proposed Agreement. This money will be set aside for use in future rounds of bargaining and can only be used at the discretion of the USW.

Surviving Spouse Payments:

The Surviving Spouse annual payments will continue and have been increased
Retirements prior to 1974 -- $1,100 annual payments
Retirements 1974 and later -- $800 annual payments

Grievance and Arbitration:

We have streamlined our ability to move our grievances to an arbitrator if necessary by expanding our mini-arbitration provisions and through the work we have done in the area of contracting out.
We have also put into place a modified screening procedure through which we can take a series of cases together to the arbitrator in the event we do develop a backlog of cases and we can keep our grievance procedure from bogging down.

Safety and Health:

We have secured a number of important improvements to our Safety and Health language, especially in the two areas that matter most – the right to refuse unsafe work, and a strong, effective union safety committee.

Seniority Preferencing:

The proposed Agreement includes a letter of agreement concerning Seniority Preferencing within a box that offers us significant clarity and seniority protection. Once per year an Employee can choose his or her shift preference by seniority.

Production employees may preference their assignment within a box as vacancies occur within the assignment they prefer. Once per year maintenance employees will be permitted to choose their preference area.

Successorship:

Our successorship language has been improved, including an expansion of our protection in the event that the entire Company is sold. The new language also provides the Union the right to extend our contract, maintaining our current benefits and protections for up to three additional years, or if we need to, to terminate the Agreement and go on strike.

Investment Commitment:

The Company has committed to a capital expenditure program to maintain and improve our plants over the course of the proposed Agreement. The Company has also committed to acquire and maintain long term stable supplies of coke and iron ore from sources in the United States and Canada.

Contracting Out:
We have agreed to an experimental process that will guarantee an increase in the number of maintenance employees and decrease the use of contractors across the plants. Also, each plant will have a Base Force Manning Level established that will guarantee us that our current levels of maintenance technicians cannot shrink and that the learner programs keep pace with attrition, remove contractors and grow the MTM/MTE workforce by a percentage on top of what we currently have.

The proposed Agreement also establishes minimum hours of work opportunities for maintenance employees: 60 hours per week for non-shop Maintenance Technicians and 56 hours per week for shop Maintenance Technicians. In addition to the maintenance work described above, the parties have agreed to a hiring process which will transfer more than 100 jobs currently being performed by contractors to our bargaining unit members. This work will be in both our P&M and O&T units.

Training:
The proposed Agreement expands and improves the existing training programs, including the establishment of a standardized, Company-wide Maintenance Training Program (Learners Program), with improved opportunities for our members to be eligible for training.

Coordinators:
In an effort to utilize coordinators in a way that provides more benefits to our members, the coordinator program has been completely restructured. . During the term of the proposed Agreement there will be nine (9) Safety and Health Coordinators, nine (9) Training Coordinators and seven (7) Joint Effort Coordinators assigned according to the plant groupings.

O&T:
The O&T service bonus will be increased from 55 cents to 65 cents.

Wages and Job Classifications

Wage Rates

Wage increases of $1.00 per hour in the first year, 4% in the second year, 4% in the third year and 4% in the fourth year were negotiated for every location.

Production & Maintenance Hourly Base Rates of Pay						
Labor		Current	Effective Date			
Grade	Job Descriptions	Rate	9/1/2008	9/1/2009	9/1/2010	9/1/2011
1	Utility Person	$16.39	$17.39	$18.09	$18.81	$19.56
2	Utility Technician	$18.03	$19.03	$19.79	$20.58	$21.41
3	Operating Technician I	$19.94	$20.94	$21.78	$22.65	$23.55
4	Maintenance Technicians (Mechanical and Electrical) Operating Technicians II	$21.03	$22.03	$22.91	$23.83	$24.78
5	Senior Operating Technician	$22.40	$23.40	$24.34	$25.31	$26.32

	Office & Technical Bi-weekly Salary Rates of Pay					
Labor		Current	Effective Date			
Grade	Job Descriptions	Rate	9/1/2008	9/1/2009	9/1/2010	9/1/2011
1	Clerical I	$1,311.20	$1,391.20	$1,447.20	$1,504.80	$1,564.80
2	Clerical II	$1,442.40	$1,522.40	$1,583.20	$1,646.40	$1,712.00
3	Analytical/Technician I	$1,595.20	$1,675.20	$1,742.40	$1,812.00	$1,884.80
4	Analytical/Technician II	$1,682.40	$1,762.40	$1,832.80	$1,906.40	$1,982.40
5	Analytical/Technician III	$1,792.00	$1,872.00	$1,947.20	$2,024.80	$2,105.60

Signing Bonus

Each Employee who is actively at work on September 1, 2008 will receive a cash payment of $6,000 on or before October 1, 2008. The signing bonus will not be used in the calculation of any other pay, allowance or benefit, but can be deferred to your 401(k) account and will be subject to all required tax withholding and Union dues.

Earnings Protection Rates

Employees who are currently receiving the earnings protection rates will continue to receive that protection. In addition, those Employees will receive an additive at the end of each quarter that will make up the wage increase for labor grade 4 until the base rate is equal to or higher than the earnings protection rate.

Profit Sharing

The 2003 profit sharing formula will remain unchanged for the life of the proposed 2008 Agreement. However, beginning with the first quarter of 2009 and all future quarters covered by the 2008 proposed

Agreement, if profit sharing payments for any quarter are more than $10 per hour due to the Company's European operations, the excess money will be banked and if profit sharing exceeds $20,000 a year per member, the excess will be contributed to the trust account designed to help offset our future health care costs.

National Steel Incentive

The incentive calculation for former National Steel Employees will be unlocked and now will be reset based on the September 1, 2008 base rate of pay.

Safety & Health

Health, Safety and the Environment

Your bargaining team has secured a number of important improvements to our Safety and Health language, especially in the two areas that matter most – the right to refuse unsafe work, and a strong, effective union safety committee.

Unsafe Work

If an Employee believes in good faith that an assignment is unsafe, the Company must reassign the Employee to another task until the investigation is complete, and the problem has been resolved. Previously the Company had the option of sending the Employee home. This unfairly punished members who acted in defense of their safety. The new language corrects this inequity and gives the Company an incentive to resolve these cases quickly.

Safety Committees

Full-time Union safety representatives are vital to the Union's mission. However, their number varies widely across the Company. Some Local Unions have no full-time representatives at all. This problem has been corrected by the addition of 11 new full-time safety representatives – chosen by the Local Union but paid by the Company – at the locations where they are needed.

Safety and Health representatives at office and technical locals, who are not full-time, were given a guaranteed number of weekly hours to work on safety, at Company expense. The Agreement also locks in the position of Corporate-Level Union Safety and Health Coordinator, which has been essential in managing the Union's safety and health activities across US Steel.

In addition, the Union was able to improve the functioning of our Joint Safety and Health Committees in the areas of safety training, auditing and the evaluation of proposed changes to corporate and local safety policies and programs.

Other Safety and Health Improvements

The Union was able to negotiate other improvements that will make US Steel a safer and better place to work:

- Automatic external defibrillators can save many victims of heart attacks, but they have to be deployed quickly. The Company has committed to installing AEDs in many different locations throughout the corporation, and training Employees in their use at Company expense.
- Dangerous conditions on blast furnaces and other places where toxic gases can accumulate

are the subject of new agreements on “Atmospheres Immediately Dangerous to Life and Health” and gas rescue.

• A new agreement on working alone will make it easier to argue and resolve such cases.

• Before an Employee is sent for a “for cause” drug or alcohol test, the Company will have to document the reasons for the test in writing.

• The Company agreed to comply with the otherwise-voluntary National Electrical Code and rules of the National Fire Protection Association for the “racking out” of circuit breakers. This means that the work will once again be performed by qualified electricians.

• It is important for Employees working overtime to get a hot meal. However, since the last agreement, the Company has removed hundreds of stoves, ovens and other cooking equipment from its plants, alleging potential fire hazards. The proposed Agreement commits the parties to review all such locations at the local level. If the location is suitable for a convection microwave oven, the Company will install one at Company expense.

• The safety shoe provisions were changed to conform to changes in OSHA law. In particular, the Company will pay for replacement shoes whenever it is necessary, instead of waiting until the end of the year. This also applies to the Ore Range locals, which are under MSHA’s jurisdiction.

Grievance and Arbitration

The Union at US Steel has always been aggressive in our contract enforcement and having a grievance procedure that works both well and quickly is important to our members and the local unions. In this proposed Agreement we have streamlined our ability to move our grievances to an arbitrator if necessary by expanding our mini-arbitration provisions and through the work we have done in the area of contracting out.

We will have a quicker path to resolving those contracting out issues as well. We have also put into place a modified screening procedure through which we can take a series of cases together to the arbitrator in the event we do develop a backlog of cases and we can keep our grievance procedure from bogging down. Additionally the Union has reached a very good settlement on the contacting out grievances that were pending in the grievance and arbitration procedure.

Contracting Out

Reduction of Contractors

For many years we have struggled with the issue of contracting out, both from a work efficiency stand point and in an effort to preserve the scope of work of our bargaining units. Although over the past several contracts we have strengthened the contracting out language to protect our work, these provisions have been difficult and expensive for our local unions to administer and enforce. We have agreed to an experimental process that will guarantee an increase in the number of maintenance employees and decrease the use of contractors across the plants.

A joint Union/Management Maintenance Planning/Contracting Out Committee will be established at each plant and will meet regularly to discuss opportunities to reduce the use of contractors in the plants, improve maintenance planning and determine the best utilization of the our maintenance technicians on the work in our plants.

This committee will also work to insure that the Company stays in compliance with the training, staffing and overtime requirements contained in the proposed Agreement. If the Committee is not able to reach mutually agreeable plans of action concerning any of these issues, the Union can submit the dispute to final offer arbitration.

Each plant will have a Base Force Manning Level established that will guarantee us that our current levels of maintenance technicians cannot shrink and that the learner programs keep pace with attrition, remove contractors and grow the MTM/MTE workforce by a guaranteed percentage of growth on top of what we currently have. These minimum manning levels can be increased by actions taken by the Committee as well.

In addition to base manning levels, the proposed Agreement also establishes minimum hours of work opportunities for maintenance employees: 60 hours per week for non-shop Maintenance Technicians and 56 hours per week for shop Maintenance Technicians.

In the event that this experimental procedure does not satisfactorily resolve our contracting out issues, the Union Co-Chair of the Negotiating Committee may terminate this experimental procedure on either a plant by plant basis or across the entire Company and revert back to the 2003 contracting out language.

Hiring Process
Contracting Out is not just a Maintenance Issue. In addition to the maintenance work described above, the parties have agreed to a hiring process which will transfer more than 100 jobs currently being performed by contractors to our bargaining unit members. This work will be in both our P&M and O&T units.

Training

Expanded Institute for Career Development
The ICD will work with the Local Joint Committees to develop community outreach and communication programs to promote interest in the steel industry and steel industry jobs in their local communities. Furthermore our ICD programs will be expanded to require that they offer courses designed to allow our members to gain the knowledge they need to pass the test for entry into the Learner programs in our plants.

Maintenance Training
A standardized, Company-wide Maintenance Training Program (Learners Program) has been established, with expanded opportunities for our members to be eligible for training before newly hired candidates from the street. Employees will now be paid labor grade 3 for all hours spent in the training program, including all classroom hours. On the job training hours will be paid at the regular rate of pay, and hours in the classroom will be paid at the base rate.

Maintenance Technician Posting

At least one of every two maintenance technician permanent vacancies will be posted for a transfer opportunity. For many years, the Company had the right to fill every maintenance technician permanent vacancy with a learner, and the proposed Agreement will now allow for an expanded opportunity for our members to use their seniority to bid on jobs.

Corporate Melter Academy

The Union has leveled out certain pay disparities that existed on the Melter position across the Company. We are guaranteed at least four seats in each Corporate Melter Academy class that the Company offers.

Pensions

USS Pension Agreement

For current U.S. Steel Employees who are covered under the U.S. Steel Carnegie Pension Fund:

❋ The following amounts shall apply under the minimum pension formula for Employees who retire on and after January 1, 2009:

	Service Prior to 1/1/09	Service on and after 1/1/09
Years 0 - 30	$65.00	$100.00
Years 30+	$85.00	$100.00

❋ Effective for pension benefits which commence on or after January 1, 2008, a 75% Qualified Optional Survivor Annuity will be offered in addition to the existing Qualified Joint and Survivor Annuity. The new 75% Spouse Option, if elected by the participant, will provide a surviving spouse with a monthly payment equal to 75% of the participant's benefit.

Surviving Spouse annual payments shall continue

Retirements prior to 1974 -- $1,100 annual payments

Retirements 1974 and later -- $800 annual payments

Steelworkers Pension Trust -- $100 monthly multiplier

The Company has agreed to increase the contribution rate to the Steelworkers Pension Trust (the "SPT") for each Covered Employee's Contributory Hours from $1.80 to $2.65 per hour, effective September 1, 2008 (for hours worked in August 2008). At our current accrual rate, this increase would result in a monthly multiplier of $100; however, the accrual rate is always subject to review and change by the SPT Board of Trustees throughout the term of the proposed Agreement.

Retirement Payments for Former National Steel Employees

Effective January 1, 2009, the Company will provide a one-time $7,500 cash payment to Employees following retirement if:

(a) they are at least age 56 as of September 1, 2008,

(b) they retire after attaining age 60, and

(c) they retire on or after January 1, 2009 and before the end of the term of the 2008 Basic Labor Agreement.

The payment will be made no later than the end of the month following the month in which the Employee retires. The payment will not be considered covered compensation for any other benefit purpose and will be subject to employment taxes.

401(k) Savings Plan

Effective January 1, 2009, the Plan will be renamed "USS 401(k) Plan for USW-Represented Employees." As of January 1, 2009, Employees may contribute from 1% to 35% of their Regular Compensation to the Plan. Also, effective January 1, 2009, Employees who are age 50 or older may make "catch-up" contributions to their 401(k) plan from Bonus-Type Payments.

The Plan will be amended to permit USW-represented Employees of U.S. Steel Tubular Products, Inc. to become participants of the Plan during the term of the proposed Agreement as of a date to be mutually agreed upon by the Union and the Company.

In addition, the U.S. Steel Tubular Products, Inc. Retirement Savings Plan will be merged into the USS 401(k) Plan for USW-Represented Employees during the term of the proposed Agreement as of a date to be mutually agreed upon by the Union and the Company; account balances transferred from the U.S. Steel Tubular Products, Inc.

Retirement Savings Plan to the USS 401(k) Plan for USW-Represented Employees will be invested in investment options that are similar to the U.S. Steel Tubular Products, Inc. Retirement Savings Plan investment options.

Employee Benefits

Note: Unless otherwise noted, the effective date of the benefit changes listed below is January 1, 2009. During the course of these negotiations, your bargaining committee worked diligently to ensure that the benefits provided under the PIB were improved and that certain service related issues were addressed and resolved. You will see in the highlights below that we were able to achieve just that. We secured our healthcare benefits and made significant improvements in benefit levels and provider reimbursements.

Medical Benefits

The current PPO program will be continued with no changes to the deductibles, coinsurance levels, out-of-pocket maximums or office visit copayments and will be administered by Highmark Blue Cross Blue Shield. The following is a list of new benefits that will be included in the Medical program:

<u>Hearing Aid Coverage.</u> Under the proposed Agreement, hearing aids as well as the examination for and fitting or replacement of hearing aids will be covered. The maximum benefit is $1,500 per ear and is available every three years. Replacements will be covered if three years have passed since the original hearing aid was purchased.

<u>Wellness Initiative.</u> We have tentatively agreed to work with the Company to establish a Wellness

Program during the term of the proposed Agreement. The details of this program will be communicated to you as they evolve. However, in order to recognize the serious commitment to this initiative, Preventive Care Services, including certain diagnostic testing will be covered at 100%, without any copayments.

This means that routine physicals for adults and children will not be subject to the $15 copayment and basic diagnostic services such as lab and x-rays will be covered at 100%. In addition to the increased coverage for Preventive Care Services, the PIB going forward will follow the Highmark Blue Cross Preventive Schedule as it is updated throughout the term of our Agreement.

Ambulance Services. The Company has recognized that many of our members are incurring significant out-of-pocket expenses when needing ambulance transport. The tentative Agreement will cover all ambulance services at 100% and will address the issues of balance billing by ambulance providers.

Durable Medical Equipment (DME). These services will now be covered at the same coinsurance levels as other services. The in-network coinsurance will be 90% and out-of-network will be at 70% after the deductible. Currently DME is covered at 80% and 60% respectively.

Spinal Manipulation. The number of visits has been increased from 12 to 18 per year.

Private Duty Nursing. The annual maximum for these services has been increased from $5,000 to $10,000.

Inpatient Mental Health and Substance Abuse. The number of inpatient days has been increased from 30 to 45.

Outpatient Substance Abuse. Under the terms of the proposed Agreement, the $15 copayment will only apply to the initial visit for outpatient Substance Abuse. All subsequent visits will be covered at 100%.

Eligible Providers. Nurse Practitioners and Physician Assistants will be recognized as eligible providers.

Autism and ADD/ADHD Coverage. The medical treatment of these conditions will no longer be excluded from coverage.

Miscellaneous items. The proposed Agreement also provides for the following:

- Lap Band Surgery, when medically necessary.
- Replacement of cataract lenses
- Lead Testing for children under age 18
- Use of the Highmark Blue Cross Medical Necessity protocols.

Prescription Drug Benefits

Many of you will recall that we had quite a fight with the Company in 2006 over the unilateral implementation of several Pharmacy Management programs. We took our case to arbitration and prevailed. The Company was insistent about obtaining what they weren't awarded during the arbitration, but your bargaining committee held the line. Not only were we successful in not having any changes made to the current copayments charged for Retail or Mail Order prescriptions, we reached a fair and reasonable tentative Agreement on the implementation of any Pharmacy Management Programs. The following outlines the changes that will become effective January 1, 2009.

Weight loss Medications. These medicines will be covered to the extent that they are medically necessary.

Smoking Cessation Medications. The copayment for Smoking Cessation medications purchased at a retail pharmacy will be $0. Coverage will still be limited to two courses of treatment per lifetime.

Specialty Medications. These hi-tech, biomedical medications will be limited to a 30-day supply. Copayments will be $0 for a generic prescription and $20 for a brand-name prescription.

Pharmacy Management Programs. Recognizing that there are some real safety issues when prescriptions are dispensed in the absence of certain guidelines, we worked diligently to establish a list of specific medications that will be subject to the prior authorization process and/or quantity limitations. We also restructured the mandatory generic provision so that it will apply within a therapeutic class of medications. All of these initiatives ensure the highest levels of safety and cost effectiveness for our members. We were able to avoid “step therapy”. Going forward no other programs such as these can be implemented without prior review with the USW.

Dental Care Benefits

In 2003 we agreed to a Dental Program that has been riddled with issues. It was a major goal of this bargaining to address these issues and find a suitable resolution – we have accomplished that mission. We were able to not only improve the benefit levels under the Dental Program, but found a way to protect our members from out-of-pocket costs when the provider network is inadequate.

Beginning January 1, 2009, services for non-participating Dental providers will be increased to the 99th percentile. This means that the reimbursement allowance will cover the charges of 99% of the dentists in any specific area and balance-billing will be reduced significantly.

In addition to the reimbursement arrangement above, the following represent the other enhancements to the Dental Program included in the proposed Agreement:

- Increase Annual Maximum to $2,250
- Increase Lifetime Orthodontic Maximum to $2,250
- Increase coverage for fillings to 100%, not subject to the deductible.
- Increase coinsurance for Prosthetics, Crowns, Inlay and Onlay Restorations to 60%
- Add coverage for general anesthesia

Vision Care Benefits

The structure of the current Vision Care Program will not change. However, we were able to increase the frequency of services for eye exams, lenses, frames and contacts to once every 12 months, as opposed to the current 24 months. The allowance schedule for non-participating providers will also be increased by 150%.

Life Insurance

Effective Sept. 1, 2008, basic Life Insurance amount will be increased to $50,000.
Effective January 1, 2009, all Employees will be afforded an opportunity to participate in an Optional Life Insurance Program which will include an Accidental Death benefit. Employees will be able to purchase Optional Life Insurance in amounts equal to $25,000; $50,000; $75,000; $100,000 or $125,000.

If you enroll in this program within 30 days of January 1, 2009 (or of the hire date for new hires), coverage will be guarantee issue, which means you do not have to provide evidence of good health. If you enroll after the initial 30 period, such evidence of good health will be required.
Optional Life Insurance for eligible Dependents is also available in the following amounts and are subject to the same guarantee issue provisions:

Spouse	Child(ren)
$10,000	$3,000
$20,000	$4,000
$40,000	$5,000
$80,000	$7,000

Sickness and Accident Benefits

Effective as of the date of the BLA, the new benefit formula for S&A benefits will be equal to 70% of your base rate of pay with a minimum weekly benefit of $500.

Additional changes to the S&A program include:

- ❋ Decreasing the service requirement for an additional 52 weeks of benefits to 15 years;
- ❋ Successive periods of disability must be separated by 7 weeks in order to be considered separate periods;
- ❋ Other employment while on S&A limited to that which is permissible within your physical restrictions;
- ❋ Claim forms can be signed by Nurse Practitioners and/or Physician Assistants; and
- ❋ A dispute resolution process when the Company doctor and attending physician disagree about your ability to return to work.

General Provisions

Employees will have the opportunity to participate in pre-tax Health Care Savings and Dependent Care Spending accounts effective January 1, 2009. Details about these programs will be included in the 2009 Open Enrollment Package.

By no later than January 1, 2010, Employees will also have the ability to purchase Optional Long Term

Care insurance.

A joint benefits Committee will be established and will meet at least semi-annually to review issues involving the Active and Retiree programs.
During the Grievance and Arbitration process for discharges (not subject to Justice & Dignity), Employees will maintain their healthcare coverage (except for S&A) until the arbitration ruling is released. If the Company prevails in the arbitration, the Employee will then have the opportunity to continue coverage via COBRA.

The working spouse rule will be modified so that premiums required by the spouse's plan will be reimbursed for amounts over $50 per month, but not to exceed $350 per month. Reimbursements will continue to be made on a quarterly basis.

A new Waiver of Coverage premium of $300 per month will be paid to Employees who opt out of the PIB and certify that they are enrolled in their spouses plan. You cannot, however, receive both the Working Spouse reimbursement and the Waiver premium.

The definition of Dependent Children has been updated to meet the new Internal Revenue Code rules. Unmarried children, who otherwise meet the current definition of Dependent, will now be covered until age 21. In addition, Disabled Dependent Children over the age of 21 at the time of initial enrollment in the PIB will be covered as long as the proper certification is provided.

Retiree Benefits

We entered into this bargaining with a goal to improve the financial well-being of our retirees and maintain a comprehensive healthcare plan. This was a difficult struggle, but our efforts prevailed. The proposed Agreement includes significant restructuring to the delivery of healthcare to current and future retirees. However, these changes are positive ones with respect to the both the benefits that retirees will receive and the premiums they will pay during the term of this Agreement.

Effective January 1, 2009, all current Pre-Medicare retirees will be transitioned into a PPO program that will duplicate the Active plan, including all of the improvements listed in the Active Benefits section, with very few exceptions. The following chart outlines those minor differences. All future Pre-Medicare retirees will also participate in this program, which will basically be a seamless continuation of their Active coverage.

	In-Network	Out-of-Network
Preventive Care	100% after $15 copayment	70% after deductible
All Diagnostic Services	90%	70% after deductible
Retail Prescription Drugs Generic Brand Formulary Brand Non-Formulary Specialty	 25% with a $25 maximum 40% with a $50 maximum 50% with a $100 maximum $0 generic; $20 brand	
Mail Order Prescriptions Generic Brand Formulary Brand Non-Formulary	 $20 $40 $60	

Note that the mail order prescription drug copays are unchanged from the 2003 Agreement. Effective January 1, 2009, all current Medicare eligible retirees will be transitioned into a Comprehensive Medical Plan that will coordinate with Medicare. The basic provisions of the Comprehensive plan will mirror those in the PPO for Pre-Medicare retirees listed above with an additional modification to the Hearing Aid benefit. Hearing Aid services will be limited to $1,500 every 5 years for Medicare eligible retirees.

Retiree Healthcare Premiums

These monthly premiums will be applicable throughout the entire term of the BLA unless otherwise indicated. Premiums listed below are individual rates.

	Pre-Medicare Retirees			Medicare Eligible Retirees		
	Total Program	Medical Only	Rx Only	Total Program	Medical Only	Rx Only
Pensioners	$150.00	$90.00	$60.00	$75.00	$30.00	$45.00
Surviving Spouses	$125.00	$75.00	$50.00	$50.00	$20.00	$30.00
	2009 Premiums for Basic Only Retirees*					
Pensioners		$45.00			$15.00	
Surviving Spouses		$37.50			$10.00	

* Note – these rates are effective for calendar year 2009 only. Beginning January 1, 2010, those participants currently enrolled in the Basic only program under the PHMB will be required to pay the full premium for Medical coverage to maintain the new Retiree Health Program (RHP). During the 2009 open enrollment, Basic only participants will be automatically enrolled in the Medical only program unless they elect otherwise. Should a current Basic only participant elect Rx coverage, they will be charged the same Rx rates listed above.

General Provisions

For Employees who retire after December 31, 2008, retiree life insurance will increase to $10,000.

Company paid healthcare benefits will be continued for 18 months for disabled Employees.

Employees retiring under a permanent disability pension from either the Steelworkers Pension Trust or the Carnegie Pension Fund may elect to continue PIB coverage via COBRA for a period up to six months in order to avoid a gap in coverage. During such time the COBRA premium will be equal to the applicable Retiree Healthcare premium listed above. Once the disability pension is approved, you will be enrolled in the applicable retiree healthcare program.

Funding Retiree Healthcare for the Future

It was important to your bargaining committee to obtain security for current retirees, but it was just as important to plan for the future. In addition to the significant financial funding put towards the current retirees, we have a commitment from the Company to establish a separate "restricted" account within our VEBA that will be funded with a minimum of $350 million over the term of proposed Agreement. This money will be set aside for use in future rounds of bargaining and can only be used at the discretion of the USW.

Other Economic Issues

Inflation Recognition Payment (IRP)

The proposed Agreement protects Employees from greater-than-normal inflation. Employees are eligible for an Inflation Recognition Payment (IRP) according to a formula that works on a calendar quarter basis. At the end of each quarter, the parties will look at the current consumer price index (CPI) and compare it to the CPI at the beginning of the contract. If inflation rises a full percentage point more than a three percent (3%) cumulative annual rate since the beginning of the Agreement, Employees will receive a bonus payment.

The IRP payments remain based on all hours actually worked in the relevant quarter (including overtime hours) and do not "roll in" to any wage rate or other benefit.

For example, if in a given quarter 3% annual inflation since January 2009 would have produced total inflation of 10% and the actual CPI indicates that inflation since the beginning of the contract has been 12% and an Employee had base earnings during the quarter of $15,000, then that Employee would receive a lump-sum payment of 2% (12% actual inflation minus a 10% CPI threshold) multiplied by $15,000, which equals $300.

Bereavement Leave

We have negotiated improvements to our existing bereavement leave. Under the proposed Agreement, the bereavement leave for the loss of a parent, sibling or grandchild who has lived with the member has been increased to five (5) days.

Leaves of Absence

Employees on a leave of absence for the purpose of accepting a temporary position with the International Union will receive health benefits for one month after the end of the month in which the leave begins.

Vacation Pay Calculation for LU Officials

Vacation pay calculations for Local Union officials shall include earnings from the Local Union which represent Company approved lost time from scheduled work for the Company.

Military Leave
An Employee with six months or more of Continuous Service who is a member of the National Guard or Reserves and who is called to active duty while in active pay status and working will be eligible for a Military Leave of Absence from work. Such Employees will receive a pay differential, credit for eight hours per day up to forty hours per week for profit sharing calculation purposes, and continuation of certain benefits in accordance with Company policies.

Corporate Issues

Successorship
We have achieved some very important improvements to our successorship language, including an expansion of our protection in the event that the entire Company is sold. The new language also provides the Union the right to extend our contract, maintaining our current benefits and protections for up to three additional years, or if we need to, to terminate the Agreement and go on strike.

Investment Commitment
It's obvious that our long term security is better protected when our plants are well maintained and modern and this contract sets a new higher world class standard for the level at which our plants are to be maintained.

The Company has committed to a significant capital expenditure program to maintain and improve our plants over the course of the proposed Agreement. The Company has also committed to acquire and maintain long term stable supplies of coke and iron ore from sources in the United States and Canada. The effort to remain self-sufficient is key to maintaining a strong steel industry in North America and protecting our jobs.

Partnership
The Article on Joint Efforts has been improved in a number of important ways. The Company will now provide joint training off-site joint training to facilitate and enhance our cooperative efforts, including conflict resolution training and communication training. The Company will pay presidents and grievance chairs for partnership meetings.

We have increased funding for our Public Policy Fund, through which we drive our Stand up for Steel and Alliance for American Manufacturing issues and continue our unfair trade battles, from 10¢ per ton shipped to 12¢. Tons shipped have been expanded to include tons shipped from the Lone Star and Star Tubular plants.

Energy, Environment and Steel
Climate change may be the greatest long-term challenge facing the steel industry and all energy-intensive industries. The Union has been calling for action on climate change for almost twenty years – both to reduce the emissions of greenhouse gases that threaten uncontrolled global warming, and to do so in a way that protects union jobs in our basic industries.

The Agreement commits the USW and US Steel to work together on this critical problem through the creation of a joint Energy Efficiency and Carbon Emissions Task Force at Gary, Great Lakes, Granite

City, Minnesota Ore, the Mon Valley and Fairfield. The Task Force will work to identify ways to conserve energy and reduce greenhouse gases, and will participate in policy and legislative initiatives.

Other Language Improvements

Cooking Equipment
The Company will install convection microwave ovens at locations where cooking equipment was removed by mutual agreement of the parties.

Overtime Meal Allowance
The overtime meal allowance has been increased to $6.00 during the term of the proposed Agreement.

Temporary Foremen
Your Bargaining Committee has bargained restrictions on the use of temporary supervisors. The Company can now use a temporary foreman for no longer than ten consecutive months. Any current temporary foreman who has held the position for longer than ten consecutive months will be removed by January 1, 2009.

Bidding Procedure
By mutual agreement an Employee is now permitted to bid to a lower job within their Seniority Unit. Special Assignment jobs are now required to be seniority listed.

USW Logo
The Company has agreed to display the USW logo at the primary entrance of each plant.

Last Chance Agreements
We have negotiated a letter of agreement which standardizes Last Chance Agreements (LCAs). Last Chance Agreements will now last for a maximum of three years and any existing LCA’s which extend beyond three years will be reduced to three. An Employee will not be deemed to have violated a Last Chance Agreement for engaging in conduct which is unrelated to prior disciplinary offenses on the Employee’s record as of the date of the LCA.

Workplace Restructuring

In 2003, based on the state of the industry, the parties agreed that it was necessary to do some workplace restructuring in order to increase productivity and efficiency in order to promote the survival and success of the Company.

The restructuring has been finished and Appendix C - Restructuring has been removed from the agreement except for the language covering Operating Technician II positions filled by Maintenance Technicians.

Coordinators

In an effort to utilize coordinators in a way that provides more benefits to our members, the coordinator program has been completely restructured. The coordinators will be responsible for the coordination and oversight of joint undertakings of mutual interest to the Company and Union including Safety and Health, Training and Joint Efforts (such as assisting Employees and retirees with pension and benefit matters and Public Policy initiatives).

During the term of the proposed Agreement there will be nine (9) Safety and Health Coordinators, nine (9) Training Coordinators and seven (7) Joint Effort Coordinators assigned according to the plant groupings.

Seniority Preferencing

Your bargaining committee has negotiated a letter of agreement concerning Seniority Preferencing within a box that offers us significant clarity and seniority protection. Once per year an Employee can choose his or her shift preference by seniority.

Production employees may preference their assignment within a box as vacancies occur within the assignment they prefer. Once per year maintenance employees will be permitted to choose their preference area. These preference areas have been identified and agreed to.

Office and Technical

The proposed Agreement tracks our wage, bonus, pension and other improvements and adds them to the Office and Technical employees as well as the P&M employees. The following describes specific Office and Technical improvements.

Guard Uniforms
The Company will provide uniforms for the guards and replace them as needed. It will also provide for routine cleaning of uniforms.

New Job Commitment
We have bargained a commitment from the Company to create a number of new jobs spread out across each of our locations.

Salary Continuance
A member receiving salary continuance during a week in which a holiday falls will receive pay for the unworked holiday.

Union Security
New language requires the Company to provide thirty (30) days notice of the establishment of a new or changed job, which will allow the Union the opportunity to protect our bargaining unit work.

Service Bonus
The service bonus contribution will be increased from 55 cents to 65 cents.

Doctor's Note
The Company's requirement of a doctor's note in order to receive the 80 hour guarantee in the event of an absence due to an illness or injury is now restricted to members with a poor attendance history.

Local Issues

Minntac
The Company has agreed to hire an additional 15 Maintenance Techs on top of the recent arbitrator's award of 15; of those 30, half shall be assigned to a bull gang to reduce contractor utilization at the property.

Keetac
The Company has agreed to eliminate the use of the Ziegler compound adjacent to the Keetac plant within six months of the effective date of the proposed Agreement. The Company will reassign work performed at the compound our bargaining unit members.

Local 50 – Granite City Blast Furnace and Coke Works
Local 50 joined us during the course of the current labor agreement and will have the same expiration date and all the provisions and benefits of the USW Master Agreement. Their expiration was previously in November.

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Local union committee members, officers, presidents, USW staff and International officers spent thousands of hours meeting, preparing proposals, discussing issues and presenting bargaining proposals to the company.

The process began in Pittsburgh on April 10 and concluded 124 days later when this tentative agreement was approved by the local union presidents and sent to you for ratification.

Special thanks to all these dedicated brothers and sisters, many of whom spent many weeks away from their families to bring you this contract.

Front Row (l to r) Andy Wanca, Patty Bigler, Larry Guthridge, Louise Zimmerman, Steve Tunello, Cherie Averill Manner, Marc Barragan, Mike Woods, Mike Millsap, Tom Conway, Chuck Sustaire, Russ Saltsgaver, Sara Mansell, Emily Newport, Bill Kalin, Mary Holland, Tom McDermott

Row 2 (l to r) Ross McClellan, George Saddler, Raymond League, John Ratica, Chuck Jackson, Ceasar Randazzo, John Rebrovich, Cheryl Michael, Don Lucas, Ed Dryer, Gary Roycroft, Jerry Siner, Bob Prah, Rose Bezy, Don Golden

Row 3 (l to r) John Sadvery, Mike Russo, Mike Schock, Jerry Littles, Randy Virgin, Cliff Tobey, Vanessa Powell, Lisa Fleckenstein, Andy Miklos, Paul Thomas, Randy Dean, Don Tribby, Frank Pokrywczynski

Row 4 (l to r) Harold Jones, Rafael Cruz, Jason Hughes, Ginger DeCoster, Gary Lovett, Richard Summerville, Gene Carden, Jack Thronson, Rudy Aho, Harold Collins, John Desue, Bill McCall, John Guy, Joe Ballas, Jon Malek

Top Row (l to r) H. L. Thompson, Joe Jarzabowski, Harold Havlin, Neil Miller, Toby Kreidler, Tim Thomas, Dan Turpin, Terry Pappas, Jeff Bettorf, Jason Chism, Jeff Evans, Bill Gunnin, Anthony Galoozis

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