



SMOKE AND MIRRORS USS/NIPPON STYLE

February 26, 2024

Dear Brothers and Sisters,

U.S. Steel (USS) today, in an effort to assure its investors that everything will be fine, posted a letter that the union received from Nippon Steel where it promised to be responsible for our agreements with USS, which will be acquired by Nippon Steel's shell company, Nippon Steel North America.

A promise from Nippon Steel, however – a Japanese corporation that is not authorized to do business in the United States – isn't worth the paper it is printed on.

Today, if we have a contractual dispute with USS that continues beyond arbitration, we can sue USS in U.S. courts to enforce our agreements. If USS shuts a plant without giving workers the warning required by federal law and fails to pay them for that time, the workers can sue USS in U.S. court. If USS falls behind in making contributions to the Steelworkers Pension Trust, the SPT can sue the company here in the United States and place liens on USS plants in order to collect on the delinquency. The same goes for the federal government's right to enforce any failure by the company to fund the Carnegie Pension Plan.

If Nippon Steel assumes our agreements, but hides behind its U.S. shell company Nippon Steel North America, our ability to enforce our agreements and to collect on the company's negotiated obligations will diminish.

Foreign corporations routinely say that they can't be sued in American courts. This is global corporate game playing, and we negotiated strong successorship language to prevent USS and a merger partner from steering us into exactly this sort of situation.

NO TRUST IN NIPPON STEEL

As we said before, Nippon Steel's acquisition of USS and assumption of our agreements creates numerous other problems. We have never taken comfort from a company that says, "Trust us."

After USS is merged into Nippon, the company will stop publicly reporting its income, creating barriers to enforcing the company's profit-sharing calculations.

Our Basic Labor Agreement has upstreaming provisions that prevent the company from taking money out of the company to pay shareholders and investors. If the merger occurs, USS will become a subsidiary of Nippon Steel North America, which itself is a subsidiary of Nippon Steel in Japan, and we are concerned that in order to reap the benefit of their investment, these companies will take money out of USS that is needed for investment in our mills and mines.

Nippon Steel is asking us to take virtually our entire contract on faith. **This is unacceptable.**

USS/NIPPON SPENDING HUGE ON CAMPAIGN OF SMOKE AND MIRRORS

By this point, you've probably seen the TV and print ads proclaiming how great this deal is for workers and the steel industry. In fact, it's so important to USS top management to convince everyone that what they're doing benefits anyone other than themselves, that they are investing huge amounts of money in public relations and lobbying with appointed and elected government officials in Washington, D.C. and state capitols.

At the end of the day, this is simply USS doing the same thing to our communities and elected leaders that Nippon is doing to us: asking for unearned trust.

We as union members don't deal in trust. We base our decisions on enforceable contracts that protect our employment security, our economic security and our retirement security.

We'll keep you updated as we continue our efforts to **enforce** our contract.



Mike Millsap
District 7 Director &
Chairman of the Negotiating Committee



David McCall
International
President