



NOT BACKING DOWN TO BURRITT'S BULLYING

September 17, 2024

Dear Brothers and Sisters,

We wanted to send an update regarding the proposed transaction of U.S. Steel (USS) and Nippon Steel. CEO David Burritt and his management team are constantly changing their story, and they're doing their best to confuse the issues in an attempt to divide the union, to make us second guess ourselves rather than question them. That's why now, more than ever, it's essential that we have clear and open communication, so you can get the information you need without the corporate spin.

RECKLESS THREATS

Recently, in a last-ditch effort to gain support from the union, our members, politicians and the general public, Burritt has made ridiculous and irresponsible threats: to move the USS headquarters out of Pennsylvania to Arkansas and shut down the Mon Valley Works if he didn't get his deal approved by the U.S. government.

It was the most reckless, self-interested statement that he could possibly have made. Not long ago, he described our plants as **world-class**. Now he's claiming that if his deal goes down, he'll somehow be forced to shut down operations.

Let's not forget why Burritt is so desperate to save the deal or what he stands to gain personally. If the deal goes through, Burritt will receive a \$70 million dollar change in control bonus, not to mention what it does for his stock and stock options. Many of the other top USS executives also stand to personally gain millions of dollars in the transaction.

That's why we've seen a full court press with USS and Nippon spending millions of dollars on lobbyists, TV and public relations and all sorts of high-priced ads and commercials. That's why Burritt is willing to hold our members hostage and threaten our families and our communities. That's why he's so recklessly disregarding national security and the future of American steelmaking.

If the Board of Directors accepted their fiduciary duty to stockholders, they would fire Burritt for incompetence and jeopardizing the future of the company and all its stakeholders.

Unfortunately, Burritt's threats had some effect. They made some of our members understandably fearful for their jobs and made some public officials second guess their opposition to the transaction.

But we cannot let fear control us or back down to a greedy bully lashing out. Instead, Burritt must be held accountable. Political leaders and the union must continue standing up to him and stop him from treating our workplaces and our communities like his personal piggy bank. We must continue to protect the economic security of our members and our country as well as our national security interests.

FACTS REMAIN

The facts have not changed: if Nippon acquires USS, there will be a host of contract issues for us, from successorship to profit sharing to enforcement and much more. You've seen the letters between our union and Nippon. Their so-called guarantees and commitments all sound good until you read the "fine print," which is riddled with wiggle words that would allow them to back out whenever they choose. And the legal structure they've created allows Nippon to hide behind a shell company, potentially allowing them to shield themselves from keeping their so-called promises.

This transaction also jeopardizes our national defense and critical supply chains. We understand like few other Americans do that our nation can't make tin, exposed automotive, much of the infrastructure, bridge and military items in EAFs.

Unless the owner of USS commits to blast furnace operations, our country will lose those products to a market where they'll have no choice but to allow Nippon and others to import their 16 million tons of excess Japanese blast furnace-produced slabs to run in our hot mills.

We've seen it before, and eventually it won't just be slabs that are imported but also hot bands. Nippon has been a renegade company dumping products into the American market for years, and there is no reason to believe they will discontinue their past illegal trade practices. Nippon will eventually double down, and this time would be harming the domestic steel industry from the inside.

POSSIBLE OUTCOMES

The U.S. government should reject the deal for obvious and important national defense reasons, and USS can remain an independent company – we would hope if this occurs, with a new and responsible CEO and management team.

We all know Cleveland Cliffs keeps saying it is interested, but at the end of the day our focus has to be on our members. It's up to the USS Board of Directors to decide if they are going to sell the company.

If Cliffs or any other company again bids in the future, it will need to make the same commitments as Cliffs made to President Conway for the union to support the deal.

That is, it must commit to honoring all provisions of our contracts, investing billions in our facilities and finding ways to expand our markets without shifting our jobs to Big River.

We know there's a lot of uncertainty surrounding the sale, and we encourage you to come to us with any questions you may have. Generations of USW members have sacrificed too much to build U.S. Steel into the world-class company it is today to let a greedy CEO intimidate us into going backward and accepting a bad deal.

We must remain united as we fight to keep U.S. Steel an American steel company that is domestically owned and operated.

Sincerely,



Mike Millsap
District 7 Director &
Chairman of the Negotiating Committee



David McCall
International
President