



Profit Sharing is Not a Substitute for a Wage Increase

The last two years have been a period of record steel prices and profits. However, the steel industry is cyclical. Prices and demand fluctuate with the overall economy. It is easy to get distracted by a large bonus, especially if you haven't worked here long. But these large profit-sharing payments are not guaranteed and not forever. Profit sharing isn't a substitute for a wage increase.

Over the last six quarters, the U.S. Steel profit sharing plan has paid more than it ever has. However, over the prior six quarters, it paid zero, zip, nada, nothing. The average U.S. Steel profit-sharing payment has been \$9.50 per hour over the term of the 2018 contract, but was just \$0.81 per hour during the 2015 contract.

Profit Sharing Payment Per Hour Worked									
2004 Contract		2008 Contract		2012 Contract		2015 Contract		2018 Contract	
3Q2004	\$5.69	3Q2008	\$0	3Q2012	\$1.14	3Q2015	\$0	3Q2018	\$6.07
4Q2004	\$6.42	4Q2008	\$0	4Q2012	\$0	4Q2015	\$0	4Q2018	\$5.14
1Q2005	\$7.01	1Q2009	\$0	1Q2013	\$0.35	1Q2016	\$0	1Q2019	\$0.90
2Q2005	\$4.72	2Q2009	\$0	2Q2013	\$0.75	2Q2016	\$0	2Q2019	\$1.16
3Q2005	\$1.18	3Q2009	\$0	3Q2013	\$1.83	3Q2016	\$0.49	3Q2019	\$0
4Q2005	\$1.93	4Q2009	\$0	4Q2013	\$0.72	4Q2016	\$0.01	4Q2019	\$0
1Q2006	\$3.91	1Q2010	\$0.04	1Q2014	\$0.50	1Q2017	\$0	1Q2020	\$0
2Q2006	\$6.00	2Q2010	\$3.64	2Q2014	\$0.23	2Q2017	\$3.45	2Q2020	\$0
3Q2006	\$6.32	3Q2010	\$0	3Q2014	\$4.86	3Q2017	\$2.05	3Q2020	\$0
4Q2006	\$4.50	4Q2010	\$0	4Q2014	\$4.04	4Q2017	\$0.64	4Q2020	\$0
1Q2007	\$3.91	1Q2011	\$0	1Q2015	\$0	1Q2018	\$0	1Q2021	\$2.74
2Q2007	\$4.11	2Q2011	\$2.54	2Q2015	\$0	2Q2018	\$3.08	2Q2021	\$19.59
3Q2007	\$4.27	3Q2011	\$2.05					3Q2021	\$34.44
4Q2007	\$2.39	4Q2011	\$0					4Q2021	\$30.24
1Q2008	\$1.90	1Q2012	\$1.83					1Q2022	\$21.03
2Q2008	\$9.30	2Q2012	\$2.84					2Q2022	\$30.72
Average:	\$4.60		\$0.81		\$1.20		\$0.81		\$9.50
								18-Year Average:	\$3.75

U.S. Steel has proposed a four-year contract with wage increases of 3%, 3%, 3% and 4%. We deserve the same wage increases as under the Tentative Agreement between the Union and Cleveland-Cliffs Steel of 8%, 4%, 4%, and 4%.

U.S. Steel needs to keep pace with the wages offered by its competitors and in its area labor markets -- especially for maintenance and crafts. It needs to recruit, attract and retain skilled employees. The Company recognized this when it gave C.E.O. Dave Burritt a 17% salary increase from \$1.1 million to \$1.3 million in 2021 – even though he also received a \$10 million increase in stock awards, options and incentive compensation.

U.S. Steel likes to say “when we do well, you do well.” But our mortgages, utilities and car payments aren't based on how USS is doing, these are fixed costs that we have to pay each month. That's why we still need a wage increase that keeps pace with the rising cost of living and doesn't disappear during a downturn.