



USW Bargaining with USS | September 22, 2022

U.S. Steel Running from the Union; Proposal Fails to Invest in Our Plants

We know that long-term job security in the steel industry depends on capital investment in our plants and mines.

U.S. Steel Proposed Investment Far Less than Needed

U.S. Steel proposed capital investments of just \$1 billion for our facilities. However, U.S. Steel's depreciation expense (the cost of wear and tear on equipment) for its USW plants is approximately \$500 million per year, so the Company's proposal actually amounts to a "dis-investment." That means they propose to spend far less than what is needed to keep our plants safe and competitive.

During the term of the 2018 Labor Agreement, **U.S. Steel committed to invest \$2.5 billion. However, most of this was spent on sustaining or maintenance expenditures, not new plants, new technology or capacity expansion which are critically needed to remain competitive.**

Broken Promises at Mon Valley Works

In May 2019, U.S. Steel announced a \$1.2 billion investment in an endless casting and rolling facility at its Edgar Thomson Plant in Braddock, PA, and a cogeneration facility at its Clairton plant.

U.S. Steel purchased Big River Steel, a non-union 3.3 million ton per year EAF mini-mill, for \$1.5 billion between October 2019 and December 2020. Then, in April 2021, U.S. Steel cancelled the Mon Valley project and blamed the pandemic, County and permitting process.

In January 2022, U.S. Steel announced a \$3 billion project -- not in the Mon Valley or at an existing USW facility -- but a second state-of-the-art mini-mill at its non-union plant in Osceola, Arkansas.

In order to keep faith with its workforce and compete with imports and domestic steelmakers, U.S. Steel needs to invest in OUR plants.

The Union proposed:

- U.S. Steel invest \$4 billion in USW plants over the next 4 years,
- Invest in a new EAF mill and DRI plant at the Mon Valley Works, and
- Rebuild the Granite City Blast Furnace A instead of selling it to SunCoke.

The time is now for U.S. Steel to invest in sustainable, advanced steelmaking in our plants and communities to provide job security and a path forward to future growth and profitability.

Mr. Burritt, stop running away from our communities, jobs and Union!