

November 19, 2024
The Honorable Josh Shapiro
Governor of the Commonwealth of Pennsylvania
Office of the Governor
508 Main Capitol
Harrisburg, PA 17120

Dear Governor Shapiro,

The proposed acquisition of U.S. Steel by Nippon Steel represents a pivotal economic opportunity for Pennsylvania. U.S. Steel's Mon Valley Works and its Pittsburgh headquarters currently support 4,000 family-sustaining jobs in southwestern Pennsylvania and an additional 11,400 jobs across the Commonwealth, contributing approximately \$3.6 billion annually to our state's economy.

As part of the acquisition, Nippon Steel has committed to keeping U.S. Steel's headquarters in Pittsburgh and investing at least \$1 billion to modernize the Mon Valley Works, including building a new Hot Strip Mill. This commitment builds on the company's previous \$1.4 billion investment in U.S. Steel's union-represented facilities, amounting to a total pledge of at least \$2.4 billion.

No other steel company has made such an investment commitment to Pennsylvania, particularly to the Mon Valley. These modernization efforts are projected to create 2,500 skilled trade and construction jobs over two years, providing critical opportunities for families that rely on such projects for their livelihood.

Recently, I met with Pennsylvania-based businesses that provide essential services to U.S. Steel, including energy, raw material delivery, construction, maintenance and steel mill operations. These businesses collectively support thousands of good-paying jobs, all of which stand to benefit significantly from Nippon Steel's planned capital improvements in Pennsylvania.

Nippon Steel's proposal includes the following key commitments:

- Maintaining blast furnace operations.
- Investing no less than \$2.7 billion in USW-represented facilities.
- Honoring all USW agreements and obligations to current employees and retirees.
- Avoiding layoffs or facility closures related to the acquisition.
- Refraining from importing overseas-produced slabs or reducing U.S. Steel's slab production capacity.
- Transferring advanced technologies to enhance U.S. Steel's competitiveness.
- Producing stronger, cleaner and more advanced steel through technological improvements.
- Protecting U.S. Steel from unfair trade practices.
- Retaining U.S. Steel's headquarters in Pittsburgh.

No other entity — certainly not U.S. Steel's current leadership — has made similar commitments. In fact, U.S. Steel's leadership previously redirected a \$1.5 billion investment for a new facility from the Mon Valley to Arkansas, underscoring the urgency of securing Nippon's investment for Pennsylvania.

Concerns that this acquisition poses a national security risk are unfounded. Japan is one of our closest allies, and U.S. Steel's focus on producing steel for the appliance and auto industries does not involve military applications.

As leaders in Pennsylvania, it is our responsibility to prioritize the interests of our Commonwealth and its citizens. Nippon Steel's proposal provides an unprecedented opportunity to protect jobs, preserve our proud steel heritage and secure the future of steel manufacturing at the Mon Valley Works. Without this investment, U.S. Steel's leadership has signaled that it may shift focus away from the Mon Valley and relocate its headquarters from Pittsburgh — outcomes that would devastate Pennsylvania's steel industry, workforce and regional economy.

I have shared these concerns with President Biden and urge you to do the same. Your engagement as Governor is critical to ensuring the federal government understands the stakes for Pennsylvania. Equally important, the people whose jobs depend on the success of U.S. Steel need to hear from you. This acquisition represents a rare inflection point for our state's steel industry, its workforce and our economic future.

A steelworker from the Mon Valley Works recently reached out to thank me for supporting this acquisition. His call resonated deeply, as my own father lost his job in the 1980s steel downturn. Like many others, he never fully recovered, and our family faced tremendous hardship. I am determined to ensure Pennsylvania's hardworking men and women never face a similar fate. They deserve our unwavering support and the best opportunities to thrive. Nippon Steel offers that opportunity.

Sincerely,

Kim L. Ward
President Pro Tempore
Pennsylvania Senate

Enclosed: Letter to President Biden regarding U.S. Steel.