

October 17, 2018

Dear Brothers and Sisters:

We entered our 2018 contract negotiations under very different circumstances than we faced in 2015. Three years ago, U.S. Steel was struggling under the weight of a mountain of global overcapacity and sinking steel prices. The members of our union recognized that and stepped up to help, agreeing to a three-year wage freeze and working tirelessly in Washington to level the imbalances in our trade system.

Our hard work and sacrifice paid off. The company rebounded to earn massive, even historic, profits.

However, when we returned to the bargaining table this year, we encountered an ungrateful company that now extended a closed fist demanding a host of deep concessions. There was no evidence that the company was prepared to acknowledge the sacrifices we had made. Instead, U.S. Steel wanted more, even after top managers lined their own pockets to the tune of \$50 million over the past three years.

The company's initial approach to bargaining was unacceptable. Still, our committee had an ace up our sleeve – we had thousands of members who we knew had our backs. The company was met in return with the closed fist of an organized union that would not be pushed around. That was clear this summer, when we held massive nationwide marches and plant gate rallies to demand fair treatment. It was even more obvious in September when we called for a strike authorization vote and you responded – unanimously – in support of our bargaining committee.

Our solidarity paid off – company management finally realized they were headed down a path that was not going to be good for them, and they were forced to back down.

This Agreement is a Win-Win

Your solidarity, your patience and your confidence resulted in the agreement that is summarized in this booklet. It contains a signing bonus, provides solid wage increases each year of the contract, preserves our high-quality, affordable health care for both active and retired workers, increases contributions to our retirement plans, maintains our profit-sharing and incentive programs, and allows for much-needed investments in our facilities.

Some of the highlights of this tentative agreement include:

- A signing bonus of \$4,000 per member
- A total of 14 percent in wage increases over the four-year contract term
- No concessions on our existing health care coverage
- Increased contributions to the Steelworkers Pension Trust
- Increased multipliers in our pension agreement

As you review this summary, you will see that this agreement represents a victory for you and for every USW member who works for U.S. Steel. It also puts the company in a position to meet increasing demand and to continue along its current path of success. This is a win-win.

Never Forget - Solidarity Works

Don't forget that this agreement is a far cry from where we started. This achievement is a testament to all of you – to your strength and solidarity as union members. Throughout this process, U.S. Steel sought to

divide our union in every way it could. The company forgot one thing – Steelworkers never back down from a fight.

U.S. Steel management held “town hall” meetings with us to sell their awful proposals. They sent robo-calls to our phones. They published their proposals online and in the news media in an effort to win over not just our union’s membership but the public as well. In every case they failed, thanks to your solidarity.

Over the next four years, we look forward to continuing the momentum we have built this summer.

We look forward to working with this company to ensure that this success will continue – for us, for our families, for our children and our grandchildren. For that, we will need to continue to stand together and to continue to speak with one, strong, unified voice.

Our USW-USS Bargaining Committee is honored and thankful to represent all of you, and we are proud to bring this contract forward for your approval. We respectfully submit and unanimously recommend this tentative agreement for your ratification.

In solidarity,

Your USW-USS Bargaining Committee

Leo W. Gerard
International President
BSIC Chair

Tom Conway
International Vice President
Bargaining Committee Chair

Mike Millsap
District 7 Director
Bargaining Committee Secretary

David McCall
District 1 Director

Michael Bolton
District 2 Director

Dan Flippo
District 9 Director

Bobby “Mac” McAuliffe
District 10 Director

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Gus Atsas, Local 1014
Cindy Coleman, Local 1299 O&T
Rob Cusick, Local 4889
Don Furko, Local 1557
Fred Gipson, Local 2122
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Andrea Hunter, Local 1299
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Kevin Key, Local 1013
Ryan Kieffer, Local 2227
Rhonda Krekovich, Local 1899-05
Mark Lash, Local 1066
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Carol Murphy, Local 404-37
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Durwin Royal, Local 4134
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David Jury
General Counsel

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Senior Technician

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Technician



Term of Agreement

If ratified, the Proposed Agreement will be effective September 1, 2018, and expire on September 1, 2022.

Economics

Wages

The Proposed Agreement increases wages by an average of \$3.54 per hour or 14.75% for all pay grades over the proposed term. This represents an average annual wage increase of \$0.88 per hour or 3.5% per year over the four-year term. The full standard hourly wage rate tables are shown at the end of this summary.

The wage increases and bonus payments are as follows:

September 1, 2018: 4.0% general increase for all labor grades (average of \$0.96 per hour),
September 1, 2019: 3.5% general increase for all labor grades (average of \$0.87 per hour),
September 1, 2020: 3.5% general increase for all labor grades (average of \$0.90 per hour), and
September 1, 2021: 3.0% general increase for all labor grades (average of \$0.80 per hour),

Ratification Bonus

A \$4,000 bonus will be paid within 30 days of ratification to each employee who was accruing Pension Service under the USS Carnegie Pension Fund or the Steelworkers Pension Trust as of the date of ratification. Probationary employees hired before the ratification date will be eligible for the bonus upon completion of their probationary period.

If you participate in the *USS 401(k) Plan for USW-Represented Employees*, and have designated a contribution percentage for regular compensation or bonus type payments, that percentage will apply to the \$4,000 bonus. If you want to change that or you don't currently participate in the USS 401(k) Plan but want to contribute this bonus, contact Fidelity Service Center at 1-866-395-4877 or visit the web site at www.netbenefits.com/ussteel.

Incentive Plans

The incentive plans remain unchanged. The Company and Union reaffirm their objective of reducing the number of incentive plans and installing new and simpler plans. The Parties further agree that where the Parties meet to modify, consolidate, simplify or replace incentive, such plan changes may only occur through mutual agreement and shall preserve the integrity of the existing plans.

Profit Sharing

The Profit Sharing Plan will continue to share 7.5% of the profit between \$10 and \$50 per net ton and 15% of all profits above \$50 per net ton shipped per quarter. Hours paid on bereavement and jury duty will now be eligible for profit sharing.

The Plan definition of profit is modified to continue to treat certain retiree health care and pension expenses as operating expenses for the purpose of the Profit Sharing Plan in the same manner as prior to the adoption of certain accounting changes in 2018.

Service Bonus

The formula used to calculate the Service Bonus Pool for O&T employees is increased from \$0.65 to \$0.75 per hour worked during the calculation period.

Inflation Recognition Payments

The Inflation Recognition Payments provisions of the Labor Agreement are updated and renewed, providing protection against unexpected inflation.

Vacation

P&M Employees with more than 2 years but less than 3 years of service will now be entitled to 2 weeks of vacation instead of 1 week. The Vacation schedule for O&T and Plant Protection employees is unchanged.

Pensions

U.S. Steel & Carnegie Pension Fund

The minimum multiplier formula under the U.S. Steel and Carnegie Pension Fund is increased from \$65.00 to \$75.00 per month per year of Continuous Service in excess of 20 years up to 30 years, accrued prior to January 1, 2009; plus \$100.00 per year of Continuous Service accrued on or after January 1, 2009; plus \$115.00 per year of Continuous Service accrued on or after January 1, 2019.

Current and Proposed Minimum Multipliers

Per Month Per Year of Service

Continuous Service	Current		Proposed, Effective January 1, 2019		
	Service Before January 1, 2009	Service after January 1, 2009	Service before January 1, 2009	Service after January 1, 2009	Service after January 1, 2019
Years 1 to 20	\$65	\$100	\$65	\$100	\$115
Years 20 to 30	\$65	\$100	\$75	\$100	\$115
Over 30 Years	\$85	\$100	\$85	\$100	\$115

Monthly Pension Based on Minimum Multipliers

	Years of Service as of January 1, 2019									
	31	32	33	34	35	36	37	38	39	40
Current	\$2,375	\$2,450	\$2,525	\$2,600	\$2,675	\$2,750	\$2,825	\$2,900	\$2,975	\$3,050
Proposed	\$2,365	\$2,430	\$2,495	\$2,560	\$2,625	\$2,690	\$2,755	\$2,820	\$2,885	\$2,950
Increase	\$10	\$20	\$30	\$40	\$50	\$60	\$70	\$80	\$90	\$100

Steelworkers Pension Trust

Employee hired on or after May 20, 2003 or former employees of National Steel earn retirement benefits under the Steelworkers Pension Trust (SPT). The contribution to the SPT will be increased from \$2.65 per Contributory Hour to \$3.15 per hour worked by covered employees effective January 1, 2019; \$3.35 per hour effective January 1, 2020; and to \$3.50 per hour effective January 1, 2021.

Based on the new 18.25% SPT accrual rate effective for service after January 1, 2019, the SPT contribution will yield the equivalent of a \$99.64 multiplier at normal retirement for calendar year 2019, \$105.97 for calendar year 2020 and \$110.72 for calendar year 2021 and beyond.

The Company will make hourly contributions to the SPT based on 40 hours per week for any Participants who work reduced 32 hour weeks pursuant to a Layoff Minimization Plan under Article 8 of the Basic Labor Agreement, and provide contributions to affected active employees retroactive to September 1, 2012.

Retirement Payment for Former National Steel and LSTO Employees

The \$7,500 payment at retirement to Lone Star Tubular Operations and former National Steel and NSPC employees is renewed.

Cash Payments to Surviving Spouses Continued

The annual payments of \$1,100 to pre-1974 and \$800 to post-1974 surviving spouses are continued and payable on August 1, 2019; August 1, 2020; August 1, 2021 and August 1, 2022.

Active Insurance Benefits

Medical Benefits

Once again, health care for active employees was among the most difficult issues in these negotiations. The Company demanded cuts in the active employee PPO Medical plan: doubling the amount you would pay in deductibles, coinsurance and out-of-pocket maximums, plus employee premiums of as much as \$237 per month for family medical and dental coverage, which would increase each year.

U.S. Steel also proposed a two-tier health care plan. New employees would have coverage under a High-Deductible health care plan – with annual deductibles of \$1,600 per individual (\$3,200 family) and out-of-pocket maximums for in-network services of \$3,000 per individual and \$6,000 per family.

U.S. Steel modified its proposal somewhat, but even after USW Members authorized a strike the week of September 2nd, continued to insist on benefit cuts and health care premiums.

No Changes and No Employee Premiums

In the face of fierce resistance by USW members in the workplace, the community and at the bargaining table, the Company finally withdrew its demands for benefit cuts and employee health care premiums. The current deductibles, copays and out-of-pocket maximums under the

PPO Medical Plan will not change. The Proposed Agreement has no employee health care premiums.

No Changes in Prescription Drug Copays

The current copay amounts for prescription drugs purchased at a participating retail pharmacy remain \$10 for formulary generic, \$20 for a formulary brand name drug, and \$30 for a non-formulary drug.

The Express Scripts Preferred National Formulary (or list of preferred drugs) and prescription drug management programs will be updated effective January 1, 2019. Renewals of prescriptions written before January 1, 2019, will be excluded from the changes.

USS to Offer “High-Deductible” or “Consumer Driven” Health Plan

The Union fought hard and won the preservation of affordable, quality health care, without premiums to erode your wages. To speed an agreement, the Union agreed that the Company could offer employees the option to elect a High-Deductible Health Plan.

The PPO Medical Plan Offers the Best Coverage and No Premium

The default health care coverage will remain the PPO Medical Plan for employee and their dependents. The Union agreed to allow the Company to offer its optional High-Deductible Health Plan, but frankly we recommend you stay in the PPO Medical Plan.

Work in a steel mill, coke plant or iron ore mine is difficult and often dangerous. It takes its toll. Even if you are young and healthy, stay in the PPO Medical Plan. Things Change. Accidents happen. **The current PPO Medical Plan offers the greatest amount of protection against unexpected and catastrophic medical expenses for you and your family.**

Comparison of Current PPO Medical and Optional High Deductible Plans

	Current and Proposed PPO Medical Plan		New USS Optional High-Deductible Health Plan	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Deductible				
Single Employee:	\$200	\$500	\$1,600	\$3,200
Family:	\$400	\$1,000	\$3,200	6,400
Plan Reimbursement	90%	70%	80%	60%
Employee Coinsurance	10%	30%	20%	40%
Out-of-Pocket Maximums				
Single Employee:	\$1,000	\$2,000	\$3,000	\$6,000
Family:	\$2,000	\$4,00	\$6,000	\$12,000
Company HRA Contribution				
Single Employee:	None		\$1,500	
Family:	None		2,500	

Don't be Fooled: The New USS High-Deductible Health Plan is a Bad Option

While the choice ultimately is yours, the Union strongly recommends that current and future employees elect coverage under the current PPO Medical Plan and reject the optional High-Deductible or Consumer Driven Health Plan (HDHP or CDHP).

The Company's High-Deductible or Consumer Driven Health Plan exposes employees to up to \$3,500 of out of pocket expenses each year per family and \$1,500 for single employees -- even after deducting the Company-paid \$1,500 single and \$2,500 family Health Reimbursement Arrangement (HRA) contribution for the year.

The Company's HRA contribution might make the High-Deductible Health Plan appear tempting, but the HRA balance is only available if you remain in the High-Deductible Health Plan. It is not cash and does not generate investment earnings. You lose it if you quit or are fired. You also lose it if you later enroll in the PPO Medical Plan. So, given the limited benefit of the High-Deductible Health Plan, it doesn't make sense for anyone.

Health Care Improvements

The PPO Medical Plan will be improved as follows:

- the frequency limit for speech therapy is increased from 20 to 60 visits per calendar year,
- the description of coverage for Autism Spectrum Disorder is updated,
- coverage is added for growth hormones for children, subject to prior authorization, and
- coverage is added for treatment of abscessed tooth in emergency situations.

New Coverage for Spouse and Children Following Occupational Death

The Proposed Agreement includes for the first time an assurance that if an employee dies as a result of an occupational accident determined by OSHA or MSHA to be a work-related fatality, health care coverage (including dental and vision) under the Program of Insurance Benefits will continue for any eligible dependent children until age 26 and for the spouse until s/he remarries or is eligible for Medicare.

Other Benefits

Life Insurance, Sickness and Accident, Dental and Vision benefits are unchanged.

Matching Dependent Care Benefit Continues

The dollar-per-dollar employer matching contribution to the Dependent Care Flexible Spending Account (FSA) continues. Non-probationary employees enrolled in the Dependent Care FSA and having an IRS tax-qualified dependent will receive a matching contribution of up to \$2,500 per year on a pre-tax basis (or \$1,250 for married parents who do not file joint federal tax returns). The program is funded through unallocated contributions to the Institute for Career Development and remains subject to limitations.

Retiree Insurance Benefits

Retiree Health Care Cap and Funding

Employees hired or rehired before January 1, 2016 are eligible for the retiree medical and life insurance benefits under the Retiree Health Program. However, under the 2003 Labor Agreement the Company's contribution for retiree health care is limited to \$434.50 per non-Medicare eligible retiree or dependent and \$169.50 per Medicare eligible retiree or dependent.

The retiree cost cap was first negotiated as a way to lower the Company's long-term obligation for retiree health care, improving its ability to borrow money and invest in its plants, while preserving benefits. However, as health care costs have risen, it has been more and more difficult to provide benefits within the limits of the cost cap. Increasing the cost caps would require U.S. Steel to absorb benefit obligations of over \$1.1 billion. Its preferred solution is to continue to shift greater and greater costs to retirees.

Over the last several Labor Agreements, the Union has responded by negotiating an account, called the Flat Premium Adjustment Account, to pay the future cost of retiree health care benefits above the per capita cost caps and keep premiums affordable. The funds in that account will be sufficient to pay the costs above the cap during this agreement. When the Flat Premium Adjustment Account is exhausted, the Union will seek to find alternate arrangements to provide retiree health care benefits in a manner that is affordable for the Company and its retirees.

No Changes in Retiree Health Benefits or Premiums

The current premiums, deductibles, copays and out-of-pocket maximums under the Retiree Health Program for non-Medicare and Medicare-eligible retirees and surviving spouses will be unchanged.

Retiree Health Care for Employees Hired On or After January 1, 2016

Employees hired or rehired on or after January 1, 2016, are not be eligible for the retiree medical or life insurance. Instead, upon completion of their probationary period, they receive a Company contribution into their 401(k) savings account of \$0.50 per hour worked. The contribution to the Retiree Health Care Account will increase to \$0.55 per hour effective January 1, 2019; \$0.60 per hour effective January 1, 2020; and \$0.65 per hour effective January 1, 2021.

Language Issues

Corporate Issues

The Proposed Agreement makes minor changes to our corporate governance provisions while substantively retaining the key protections of the Investment Commitment, Successorship, and Right to Bid provisions. In the event of a sale of the Company or any plant (or significant part of a plant), we will continue to have numerous tools available to us to protect our jobs and our agreements. In addition, we modified the Neutrality agreement to clarify that it shall only be applicable to the relevant plants, affiliates, and ventures of the Company as of September 1, 2018.

Investment Commitment

The Proposed Agreement renews the Company's commitment to make capital expenditures at the facilities covered by this Agreement of \$2.5 billion during period of calendar years 2018 through 2022.

Contracting Out

We made improvements in our contracting out language and will now have a review process of major items of repair work which leave the mill for repairs outside of the confines of the plant. We also expanded the overtime opportunity for other specific crafts to participate in the 56 hour offers related to contractors working inside the plant.

Holiday Pay for Employees on Alternative Work Schedules

Employees on an Alternative Work Schedule will receive 10 or 12 hours pay (depending on their alternative work schedule) for each holiday not worked.

Bereavement Leave

Employees will be entitled to bereavement leave if they attend a cremation or memorial service for an eligible relative, instead of only a traditional funeral.

Vacation Grievances

Grievances regarding vacation scheduling must be referred directly to Step 2 of the grievance procedure not later than fifteen (15) days after notification to the Employee of the scheduled vacation (or changed scheduled vacation) is given to the Employee.

Salaried Office & Technical and Plant Protection Employees

The changes and modifications in the P&M Settlement Agreement will be included in the Agreements covering Salaried Office & Technical and Plant Protection Employees, as applicable, with appropriate adaptations on account of special circumstances.

Fairfield Southern Pass-Through

All provisions of the 2018 USS-USW P&M Settlement Agreement shall pass through to the collective bargaining agreement between the USW and Fairfield Southern Company.

Important Notice:

In accordance with the voting procedures adopted by Basic Steel Industry Conference, the ratification vote will be based on one member, one vote. The vote will be conducted by each Local Union. The majority of the total votes cast will determine the results for each separate Labor Agreement and bargaining unit.

Base Rates of Pay
Production and Maintenance Employees

Labor Grade	Job Title	Current	Proposed Agreement				
			Effective 9/1/18	Effective 9/1/19	Effective 9/1/20	Effective 9/1/21	Increase Over Term
1	Utility Person	\$20.45	\$21.27	\$22.01	\$22.78	\$23.47	\$3.02
2	Utility Technician	\$22.39	\$23.28	\$24.09	\$24.94	\$25.69	\$3.30
3	Operating Technician I	\$24.62	\$25.61	\$26.50	\$27.43	\$28.25	\$3.63
4	Operating Technician II	\$25.91	\$26.94	\$27.89	\$28.86	\$29.73	\$3.82
	Maintenance Technician	\$25.91	\$26.94	\$27.89	\$28.86	\$29.73	\$3.82
5	Senior Operating Technician	\$27.52	\$28.62	\$29.62	\$30.66	\$31.58	\$4.06

Standard Biweekly Salary Rates of Pay
Office & Technical Employees

Labor Grade	Job Title	Current	Proposed Agreement				
			Effective 9/1/18	Effective 9/1/19	Effective 9/1/20	Effective 9/1/21	Increase Over Term
1	Clerical I	\$1,636.00	\$1,701.44	\$1,760.99	\$1,822.63	\$1,877.30	\$241.30
2	Clerical II	\$1,791.20	\$1,862.85	\$1,928.05	\$1,995.53	\$2,055.40	\$264.20
3	Analytical/Technical I	\$1,969.60	\$2,048.38	\$2,120.08	\$2,194.28	\$2,260.11	\$290.51
4	Analytical/Technical II	\$2,072.80	\$2,155.71	\$2,231.16	\$2,309.25	\$2,378.53	\$305.73
5	Analytical/Technical III	\$2,201.60	\$2,289.66	\$2,369.80	\$2,452.75	\$2,526.33	\$324.73

Standard Biweekly Salary Rates of Pay
Plant Protection Employees

Labor Grade	Job Title	Current	Proposed Agreement				
			Effective 9/1/18	Effective 9/1/19	Effective 9/1/20	Effective 9/1/21	Increase Over Term
1	Security I	\$1,636.00	\$1,701.44	\$1,760.99	\$1,822.63	\$1,877.30	\$241.30
2	Security II	\$1,791.20	\$1,862.85	\$1,928.05	\$1,995.53	\$2,055.40	\$264.20
3	Security III	\$1,969.60	\$2,048.38	\$2,120.08	\$2,194.28	\$2,260.11	\$290.51
4	Security IV	\$2,072.80	\$2,155.71	\$2,231.16	\$2,309.25	\$2,378.53	\$305.73
5	Security V	\$2,201.60	\$2,289.66	\$2,369.80	\$2,452.75	\$2,526.33	\$324.73

