

# Congress of the United States

Washington, DC 20515

December 19, 2023

The Honorable Janet Yellen  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, D.C. 20220

Dear Secretary Yellen:

We write to you in your capacity as Chair of the Committee on Foreign Investment in the United States (CFIUS) to express our concerns regarding the proposed acquisition of the United States Steel Corporation by Japan-based Nippon Steel. U.S. Steel and the steel industry are a critical part of Pennsylvania and our Nation's core economic identity. This proposed acquisition of U.S. Steel, if completed, would make a foreign-owned company a central part of the American steel industry, as well as a major employer. As you review this acquisition, we urge you to consider the national security implications of selling a company manufacturing some of our most important industries, including defense, power, and infrastructure, to a foreign company. CFIUS should block the acquisition of U.S. Steel by a foreign company, especially since there were bids made by American companies that would not trigger our expressed security concerns.

As you are aware, CFIUS reviews the national security risks of certain foreign direct investments in the U.S. economy. This includes mergers, acquisitions, or takeovers that could result in foreign control of a U.S. business. In its risk-based assessment, CFIUS must consider factors such as control of domestic industries and commercial activity by foreign citizens. Furthermore, as described in Executive Order 14083, "Executive Order on Ensuring Robust Consideration of Evolving National Security Risks by the Committee on Foreign Investment in the United States," the committee must consider aggregate industry investment trends and incremental investments over time that may cede domestic development or control in key sectors and industries and result in national security risk<sup>1</sup>. Nippon Steel's proposed acquisition clearly meets the criteria for review.

Steel is essential to our national security, and we believe that the United States' marquee steel company should remain under American ownership. In fact, Section 232 tariffs on steel and aluminum were imposed following an investigation by the U.S. Department of Commerce on national security grounds and have been maintained by the Biden Administration. We question whether a foreign company that has been found to be dumping steel into the U.S. market at prices below fair market value is the best buyer for U.S. Steel.<sup>2,3</sup> Of further concern, Nippon Steel has facilities in the People's Republic of China, a foreign adversary of the U.S.<sup>4</sup>

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<sup>1</sup> <https://www.whitehouse.gov/briefing-room/presidential-actions/2022/09/15/executive-order-on-ensuring-robust-consideration-of-evolving-national-security-risks-by-the-committee-on-foreign-investment-in-the-united-states/>

<sup>2</sup> <https://www.federalregister.gov/documents/2022/11/02/2022-23827/certain-hot-rolled-steel-flat-products-from-japan-preliminary-results-of-antidumping-duty>

<sup>3</sup> <https://www.federalregister.gov/documents/2022/05/24/2022-11160/certain-hot-rolled-steel-flat-products-from-japan-final-results-of-antidumping-duty-administrative>

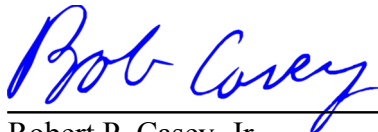
<sup>4</sup> <https://www.nipponsteel.com/en/company/bases/asia/>

U.S. Steel cited this deal's enormous value for their shareholders in their announcement. While the deal is certainly good for them, they are not the only stakeholders with an interest in this company. Thousands of United Steelworkers rely on this company for their livelihoods and transferred their collectively-negotiated right of first refusal over a sale to another US-based, unionized company. Now their fate hangs in the balance. It is incumbent upon CFIUS to take a wider view of the stakeholders with an interest in this sale beyond just shareholders in U.S. Steel. Steel is a foundational part of the U.S. economy. Furthermore, it is a key input in our Nation's infrastructure, electrical grid, buildings, and transportation. The U.S. steel market stands to be a major participant in the once-in-a-generation investments made by Congress in infrastructure and clean energy. Investments in bridges and new energy technology will use American steel thanks to provisions we fought for in Congress and that the Biden Administration has delivered on.

With the passage of the Inflation Reduction Act, the Infrastructure Investment and Jobs Act, and the CHIPS and Science Act, the United States has acted to make the U.S. market the most competitive in the world and to reshore critical supply chains. Allowing for the ownership of a major industrial participant in infrastructure and clean energy investments to be acquired by a foreign entity would be a step backwards in our commitment to supply chain integrity and economic security.

Thank you for your attention to this matter of U.S. national and economic security. If you have any questions, please feel free to contact us directly.

Sincerely,



Robert P. Casey, Jr.  
United States Senator



Chris Deluzio  
Member of Congress



John Fetterman  
United States Senator

CC: The Honorable Paul M. Rosen, Assistant Secretary for Investment Security, U.S. Department of the Treasury

CC: The Honorable Lloyd J. Austin III, Secretary of Defense, U.S. Department of Defense