

# United States Senate

WASHINGTON, DC 20510

April 11, 2024

Mr. David B. Burritt  
President & CEO  
United States Steel Corporation  
600 Grant Street  
Pittsburgh, PA 15219

Mr. David S. Sutherland  
Chairman of the Board  
United States Steel Corporation  
600 Grant Street  
Pittsburgh, PA 15219

Dear Mr. Burritt and Mr. Sutherland:

I write to express my concern about the upcoming special meeting of U.S. Steel Corporation (“U.S. Steel”) shareholders to consider the Merger Agreement Proposal with Nippon Steel Corporation (“Nippon”). U.S. Steel’s proxy statement solicits shareholders’ votes to approve the Merger Agreement Proposal, but it fails to accurately convey the significant political obstacles and regulatory risks the merger faces. I fear that shareholders have thus been misled and that the proxy statement may violate Rule 14a-9 of the Securities Exchange Act of 1934 (“Exchange Act”).

Shareholders rely on proxy statements to provide material information that will help inform their voting decisions. The federal securities laws protect shareholders’ ability to make informed voting decisions by ensuring that proxy materials provide adequate information and do not mislead or deceive shareholders. Under Exchange Act Rule 14a-9, statements made in proxy materials are false or misleading if “at the time and in the light of the circumstances under which it is made,” they “omit to state any material fact necessary in order to make the statements therein not false or misleading.”<sup>1</sup>

A review of U.S. Steel’s proxy statement betrays a lack of care in describing the regulatory scrutiny to which the deal will be subjected and the opposition it must overcome to be approved. The proxy statement describes the typical review processes under the Hart-Scott-Rodino Antitrust Improvements Act, the Committee on Foreign Investment in the United States (CFIUS), and other regulatory frameworks applicable to the merger.<sup>2</sup> The proxy statement further provides that U.S. Steel’s Board of Directors received advice that the merger would “not

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<sup>1</sup> 17 C.F.R. § 240.14a-9.

<sup>2</sup> U.S. Steel Corporation, Proxy Statement (Schedule 14A), at 5, 90, and 116 (March 12, 2024).

... implicate unresolvable national security concerns” for CFIUS review.<sup>3</sup> Such boilerplate language conveys to shareholders that the proposed merger faces standard regulatory risks like any other acquisition of American company by a foreign buyer and does not present a heightened risk of disapproval.

Additional soliciting materials to the proxy statement underscore this lack of care.<sup>4</sup> The materials cite a body of supportive quotations and publications by purported trade experts, industry lobbyists, and policy analysts who endorse the deal. Together with the generic language in the proxy statement, the materials leave readers with the impression that the deal is not in dispute among policymakers and that CFIUS approval is more likely.

And yet, as you are no doubt aware, the proposed merger with Nippon faces considerable—perhaps even insurmountable—obstacles to regulatory approval. As I informed you in August after you first launched a review of strategic alternatives, a foreign takeover of U.S. Steel poses considerable national security risks.<sup>5</sup> As a member of the Senate Committee on Banking, Housing, and Urban Affairs, which oversees CFIUS, I continue to believe that these risks merit CFIUS disapproval for the merger. Since the takeover by Nippon was announced, others have joined to express their concerns and opposition. Numerous U.S. officials now oppose the deal, including at least six U.S. Senators of both political parties.<sup>6</sup> The White House has indicated that the deal “appears to deserve serious scrutiny.”<sup>7</sup> The former, current, and likely future Presidents of the United States have also issued statements opposing the deal.<sup>8</sup>

The proxy statement omits any mention of such pertinent developments to the deal’s individual review process or of the White Houses’ indication of heightened scrutiny. Given that the President ultimately decides whether to intervene and block a foreign transaction, any official indication of how the President might approach the transaction is especially critical information for shareholders to consider before casting a vote on the sale U.S. Steel.

I urge you to convey accurately the risks the merger faces so that your shareholders can make an informed decision ahead of the vote on April 12, 2024. In the meantime, I am requesting that the

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<sup>3</sup> *Id.* at 41.

<sup>4</sup> U.S. Steel Corporation, Additional definitive proxy soliciting materials and Rule 14(a)(12) material (March 20, 2024; March 21, 2024; March 22, 2024; March 25, 2024; March 26, 2024; March 29, 2024; April 1, 2024; April 2, 2024)

<sup>5</sup> [Letter from Senator Vance to David Burritt and David Sutherland](#) (August 17, 2023).

<sup>6</sup> [Letter from Senators Vance, Hawley, and Rubio to Secretary Yellen](#) (December 19, 2023); [Letter from Senators Casey and Fetterman to Secretary Yellen](#) (December 19, 2023); [Letter from Senator Brown to President Biden](#) (December 20, 2023).

<sup>7</sup> Statement from National Economic Advisor Lael Brainard on U.S. Steel, [The White House](#) (December 21, 2023).

<sup>8</sup> Joe Deaux and Stephanie Lai, “Trump Says He Would ‘Absolutely’ Block Nippon-US Steel Deal,” [Bloomberg](#) (January 31, 2024). “Statement from President Biden on US Steel,” [The White House](#) (March 14, 2024).

Securities and Exchange Commission review your March 12, 2024 proxy statement for compliance with Rule 14a-9 and the federal securities laws.

Sincerely,



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JD VANCE  
United States Senator

Cc: The Honorable Gary Gensler, Chairman, Securities and Exchange Commission  
The Honorable Hester Peirce, Commissioner, Securities and Exchange Commission  
The Honorable Caroline Crenshaw, Commissioner, Securities and Exchange Commission  
The Honorable Jamie Lizarraga, Commissioner, Securities and Exchange Commission  
The Honorable Mark Uyeda, Commissioner, Securities and Exchange Commission