



'Nobody understands it': Trump's plan for U.S. Steel, Nippon deal comes as a surprise

Lacking details on what the proposed tech investment would look like, observers were cautiously optimistic, albeit confused, over the president's statements Friday.

Evan Robinson-Johnson / Pittsburgh Post-Gazette — Feb 9, 2025

If Nippon Steel is going to invest in, not buy, U.S. Steel, that appears to be news to the companies.

President Donald Trump on Friday threw a fresh curveball in the will-they-won't-they game that's played out between the two steelmakers for the past 13-plus months.

A day after meeting with U.S. Steel's CEO, Trump suggested the Pittsburgh-based company would get an influx of cash from its Japanese suitor — without turning over the reins.

“They've agreed to invest heavily in U.S. Steel, as opposed to own it. And that sounds very exciting,” the president said.

It came as a surprise to executives at Nippon and U.S. Steel, and to most other observers who have followed the imperiled \$14.9 billion merger since it was announced in December 2023.

“Nobody understands it,” said West Mifflin Mayor Chris Kelly, who has hosted both companies at his home office, a stone’s throw from U.S. Steel’s Irvin Works.

“They were always going to merge and still keep the U.S. Steel name. Where's the investment going to go?”

A top investor, who requested anonymity out of fear of retribution, was equally surprised by the announcement.

“I'm not sure what the president's saying,” said the investor. “He's open to something, so that's good news, but I don't quite know. This investment concept is new to me.”

Trump said he would meet with an executive of Nippon Steel soon to hash out the details.

"I'll be there to mediate and arbitrate," he said.

The twist came during an ongoing legal challenge to former President Joe Biden’s decision in January to block the merger on national security grounds. The investor said the companies would likely settle the case if they could reach a new agreement.

Nippon and U.S. Steel did not offer an immediate public reaction to the president’s statements, which came during a joint press conference with Japanese Prime Minister Shigeru Ishiba, the day after Trump met with U.S. Steel CEO David Burritt at the White House.

On Saturday, U.S. Steel posted a photo of the meeting on social media and thanked the president for his interest in a “thriving future” for the company.

"They'll be looking at an investment rather than a purchase," Trump said. “U.S. Steel is a very important company to us. It was the greatest company in the world

for 15 years, many years ago, 80 years ago, and we didn't want to see that leave, and it wouldn't actually leave, but the concept psychologically [is] not good.

“So they've agreed to invest heavily in U.S. Steel, as opposed to own it,” the president added.

Mr. Ishiba described any investment as tech-related, but also did not provide details.

"Japanese technology will be provided," he said, "and the better-quality products will be manufactured in the United States."

The information vacuum led to all manner of speculation over whether investments would benefit dated facilities in the Mon Valley, in which Nippon had previously pledged \$1 billion to modernize. By the end of negotiations with the federal government last year, the Japanese steelmaker had pledged to maintain production capacity for the next 10 years.

But that wasn't enough to sway Mr. Biden, who blocked the deal following a review by the Committee on Foreign Investment in the United States, or CFIUS, which deadlocked over its review of whether the deal created national security concerns.

U.S. Steel had sought to convince Trump to overturn the former president's decision while also pursuing a remedy in court. In a filing Monday in Washington D.C., U.S. Steel and Nippon argued that Mr. Biden made a predetermined decision to block the sale, leading to a “sham” review of the transaction by CFIUS. The decision to block, they argued, “was driven by election-year politics, not national security.”

Reactions to the proposed investment were split but mostly optimistic on Friday, as even the scant details provided by Trump appeared to create and open a new door.

“It all depends what the investments are,” said Bob Rudnik, a worker at U.S. Steel Irvin Works. “If they decide to focus on the non-union mills down south, or if they build a new hotmill and upgrade the integrated mills” in Western Pennsylvania.

Another worker at a neighboring plant noted that an incident just this week at U.S. Steel's Clairton Coke Works proved the need for infrastructure spending.



The U.S. Steel plant in Braddock on Friday, Feb. 7, 2025

Early Wednesday, the sudden ignition of excess gas released from a central stack at the facility caused a boom loud enough to wake up nearby residents and send two workers briefly to the hospital.

“That proved our point that we needed many upgrades and maintenance,” the worker said, speaking on condition of anonymity for fear of retribution. “These mills are old and take a beating. It could’ve been a lot worse.”

U.S. Steel said it was still investigating the cause of the gas release. The Allegheny County Health Department said it resulted from a hydraulic failure in a switch.

In 2021, U.S. Steel canceled more than \$1 billion of proposed improvements to facilities in the Mon Valley, later investing in new mills in Arkansas.

On the stock market, U.S. Steel shares had climbed during the day in anticipation of Trump’s comments.

But at 2:25 p.m. as the president spoke, they plunged and finished the day down nearly 6 percentage points.