# American Competitor Signals Possible New Bid for U.S. Steel

*The company's renewed interest comes after the Biden administration blocked Nippon Steel from acquiring the onetime American powerhouse.*

By **Danielle Kaye and Lauren Hirsch**
**New York Times**

A possible new takeover bid for U.S. Steel emerged on Monday, teeing up more turmoil over the once-dominant company's future after President Biden's decision to block its acquisition by a Japanese company.

Lourenco Goncalves, the chief executive of an American competitor, Cleveland-Cliffs, said his company had "an All-American solution to save the United States Steel Corporation," stressing that acquiring U.S. Steel was a matter of "when," not "if." But he offered no details of the bidding plans.

The renewed expression of interest from Cleveland-Cliffs comes less than two weeks after Mr. Biden blocked a $14 billion takeover of U.S. Steel by Nippon Steel, arguing that the sale posed a threat to national security. Cleveland-Cliffs tried to buy U.S. Steel in 2023, an offer that was rejected in favor of Nippon's higher bid.

CNBC reported on Monday morning that Cleveland-Cliffs would seek to take over U.S. Steel and sell off its subsidiary, Big River Steel, to Nucor, another American producer. But Mr. Goncalves, at a news conference later in the day, would not confirm any partnership with Nucor on a bid.

U.S. Steel and Nucor did not immediately respond to requests for comment.

Investors seemed pleased by the potential bid, sending shares of U.S. Steel up as much as 10 percent on Monday when CNBC reported the potential offer. Shares of U.S. Steel finished about 6 percent higher on Monday but are down 23 percent over the past year, including Monday's spike.

But the fate of Nippon's proposed takeover remains in limbo. U.S. Steel and Nippon sued the United States government last week in the hopes of reviving their merger, accusing Mr. Biden and other senior administration officials of corrupting the review process for political gain and blocking the deal under false pretenses.

The companies filed a separate lawsuit against Cleveland-Cliffs, Mr. Goncalves and David McCall, international president of the United Steelworkers union. They argue that

Cleveland-Cliffs and the head of the union illegally colluded to undermine the Nippon deal, assertions that both defendants called "baseless."

On Saturday, the companies said the Biden administration had delayed enforcement of its executive order blocking Nippon's takeover until June, to give the courts time to review the lawsuit.

"The problem is, we can't make anything happen until the current management and the current board of U.S. Steel make the decision to abandon the merger agreement with Nippon Steel," Mr. Goncalves said at a news conference in Butler, Pa., on Monday.

Given this rancor, it is unclear how receptive U.S. Steel would be to a new bid by Cleveland-Cliffs. If U.S. Steel does not engage, one option would be for Cleveland-Cliffs to take an offer to shareholders.

U.S. Steel was once the world's largest steel producer, but the company has fallen in global rankings in recent years. Concerns about its long-term future are rooted in a failure to quickly adopt alternatives to traditional mills that are more energy-efficient and cost-effective. Nippon, U.S. Steel has argued, is the only buyer that can make substantial investments in multiple steel mills and protect jobs.

The United Steelworkers, which represents 11,000 U.S. Steel employees, has voiced strong opposition to the proposed merger with Nippon. The powerful union has said the Japanese company engaged in illegal trade practices and dealt with the union in bad faith. Previously, the union expressed its preference for a merger with Cleveland-Cliffs, which is unionized.

A new bid by Cleveland-Cliffs, if it materializes, risks antitrust scrutiny from federal antitrust regulators, though regulators in the Trump administration are widely expected to take a less aggressive approach to merger enforcement than their Biden administration predecessors.