



United States Steel

U. S. STEEL AND ARKANSAS



EXPANDING OPPORTUNITIES

Since the full acquisition of Big River Steel in 2021, U. S. Steel has committed significant resources to transforming northeast Arkansas into a regional economic powerhouse. Located in a strategic location with important thoroughfares via Interstate Route 55, important rail lines, and the Mississippi River, Osceola has long been a great location for a steel mill. When Big River Steel began operations in 2016, it was already one of the largest industrial projects in Arkansas history. Since then, Big River Steel has grown, and, in the process, it has economically empowered the residents of Mississippi County. In 2022, U. S. Steel announced construction of a new, state-of-the-art steel mill in Osceola.¹ In addition, U. S. Steel operates Wheeling Machine Products, a supplier of specialized oilfield casing and tubing products in Pine Bluff. U. S. Steel is contributing to northeast Arkansas' economy by generating \$383.2 million in total economic impact in FY22 and directly and indirectly supporting and sustaining 1,747 jobs.²

U. S. STEEL'S OPERATIONS IN ARKANSAS (IN FY22):

Generated \$383.2 million in total economic impact

Supported and sustained 1,747 jobs (direct and indirect/induced)

Generated \$16.3 million in state and local tax revenue

Contributed \$1.8 million in donations and volunteerism to the community

Worked with 187 Arkansas-based suppliers

Big River Steel 2 is projected to bring \$5.2 billion in construction impact, based on \$3 billion of direct spending expected over 4+ years

GENERATING IMPACT IN ARKANSAS

In FY22, U. S. Steel's operations in Arkansas generated an economic impact³ of \$383.2 million. This includes a direct impact of \$219 million and an indirect/induced impact of \$164.2 million. The value added⁴ economic impact generated by U. S. Steel's operations in Arkansas is \$282.7 million (\$196.1 million direct and \$86.6 indirect/induced)⁵.

SUPPORTING AND SUSTAINING JOBS IN ARKANSAS

Overall, U. S. Steel supported at least 1,747 jobs (878 direct and 869 indirect/induced)⁶ in FY22. Big River Steel offers competitive, high wages that attract talent to the area and the opportunity to improve the standard of living.

CONTRIBUTING TO THE LOCAL AND STATE TAX BASE

As a result of operations and capital spending in FY22, U. S. Steel contributed \$16.3 million in state and local taxes to the Arkansas economy.

¹ <https://www.ualpublicradio.org/local-regional-news/2022-01-11/u-s-steel-to-locate-3-billion-steel-mill-in-northeast-arkansas>

² The economic impact analysis presented in this report was conducted using IMPLAN. IMPLAN is an input-output modeling software that derives multipliers based upon industry data from the Bureau of Labor Statistics. Actual financial data was collected from U. S. Steel and analyzed within IMPLAN. A technical appendix detailing the methodology is available upon request.

³ Total economic impact includes spending on operations, capital expenditures, labor income expenditures, and value added to the economy as a result of expenditures made by a corporation.

⁴ Value added is the total market value of all final goods and services produced within a region in a given period of time.

⁵ Direct economic impact is all direct expenditures by a corporation (operating, capital and pay/benefit expenditures); indirect economic impact is the impact of local industries buying goods and services from other local industries; and induced economic impact is the impact of re-spending of earnings of the organization and its suppliers.

⁶ Direct employment is the total number of employees, both full-time and part-time, at the corporation; indirect employment reflects additional jobs created as a result of a corporation's economic impact; and induced employment reflects additional jobs created as a result of household spending by employees of a corporation and the employees of vendors.



CONSTRUCTING BIG RIVER STEEL 2 GENERATES ECONOMIC IMPACT

Big River Steel 2 (BR2), currently under construction near Osceola, promises to be U. S. Steel’s most technologically advanced flat-rolled steelmaking facility to date. This \$3 billion project is expected to generate \$5.2 billion in direct impact over four+ years and support more than 35,000 short-term construction jobs in the region. Once completed, BR2 is expected to create an additional 900+ jobs – 700 of which will be direct – as it engages in recycling, refining, and processing scrap steel into the low-carbon finished steel products that are essential to our green energy future.

\$3 BILLION
in construction costs generates
\$5.2 BILLION
in impact over 4 years

35,782
short-term construction jobs
supported over 4 years

900+
new jobs created upon completion of
BR2 with approximately
700
direct jobs

IN 2022, U. S. STEEL DONATED \$1 MILLION TO ORGANIZATIONS IN MISSISSIPPI COUNTY AND OSCEOLA, ARKANSAS.



More than \$425,000 of grant funding to relocate the South Mississippi County Regional Medical Center's emergency room.



\$405,000 for Osceola's police, firefighters, city services, and first responders.



\$80,000 to fund an at-risk youth program in partnership with the Arkansas Northeast College Foundation.



\$30,000 for additional funding for the Mississippi County Community Foundation.



\$30,000 to the Mississippi County Arkansas Economic Opportunity Commission to aid Head Start.



\$20,000 to match federal grant funds awarded to improve Luxora Park.

AN ESTIMATED \$800,000 WAS CONTRIBUTED BY U. S. STEEL EMPLOYEES TO LOCAL CHARITIES THROUGH PHILANTHROPIC GIVING AND VOLUNTEERING IN THE COMMUNITY⁷.

FORGING THE FUTURE OF SUSTAINABILITY AND SUPPORTING COMMUNITY GROWTH

Economic transformation is just one of the ways U. S. Steel is delivering on our Best for All[®] strategy in Arkansas. U. S. Steel is also showing up as a community partner dedicated to service, engagement, and philanthropy. In FY22 alone, U. S. Steel donated \$1.8 million through volunteerism, charitable giving, and sponsorship to organizations statewide – contributing to enhancing the Upper Delta and making positive regional impact.

An integral part of community support is ensuring that families and small, local businesses can grow and thrive. The presence of Big River Steel in Mississippi County helps sustain the local economy. Priscilla Johnson, executive director of the Mississippi County, Arkansas, Economic Opportunity Commission, commented that “some of the small businesses that are there have been open and have been allowed to stay open because of the input U. S. Steel has to small businesses and their employees’ volunteerism.”

U. S. Steel's commitment to environmental responsibility and sustainability is evidenced in every aspect of its Big River Steel affiliation: BRS was the first mill in the world to be LEED[®] certified, the first one in North America to receive ResponsibleSteel[™] site certification, and, in October 2023, the first U. S. Steel facility to produce the non-grain-oriented electrical steel so vital to a sustainable future.⁸ Utilizing Electric Arc Furnaces (EAFs) and advanced mini-mill technology capable of reducing CO₂ emissions by up to 70-80%,⁹ Big River Steel and the forthcoming Big River Steel 2 are helping U. S. Steel lower its carbon footprint, promote a circular economy, and continue supplying the world with steels that are mined, melted, and made in America – just as they have been for more than 120 years.

⁷ The impact of volunteerism and philanthropic giving was derived from the U.S. Census Bureau and the University of Maryland Do Good Institute regarding donation amounts and volunteerism rates by age, income level, and employment status of U. S. Steel employees.

⁸ <https://www.usgbc.org/articles/first-leed-certified-steel-production-mill-world>

⁹ <https://www.ussteel.com/documents/40705/43725/2022+ESG+Report.pdf/00a10a26-a1c5-8373-4555-7b19524f76b6?t=1686622757424>

“These jobs with these kinds of pay levels create the opportunity for wealth-building in families that literally changes the arc of affordability generation to generation.”

- Randy Zook, president and chief executive officer of the Arkansas State Chamber of Commerce and the Associated Industries of Arkansas.

EMPOWERING THE WORKFORCE OF TOMORROW

Since 2016, Big River Steel has been a leader in the steel-production boom in Mississippi County. Now, with electric steel ramping up production at the existing plant and BR2 slated for a 2024 opening, well-paying jobs and upward mobility are within easy reach of the region’s youth. As early as high school, students can explore the many opportunities offered by the steel industry in general and BRS in particular through the Be Pro Be Proud program. By hosting draft days at local high schools and touring to community events with full-size trailers containing virtual reality work stations,¹⁰ Be Pro Be Proud offers participants “information as to how to get prepared for those careers and how to take advantage of them as earning opportunities,” according to Randy Zook, president of the Arkansas Chamber of Commerce.

At the collegiate level, Big River Steel is working with Arkansas Northeastern College to create direct pathways to high-paying careers through The Steel Tech Academy. Starting in the senior year of high school, students can participate in a two-year, hands-on internship that provides skill training that will prepare them for a career in steelmaking by the end of the program.¹¹ Clif Chitwood, Mississippi County chief economic developer, has noted that “Arkansas Northeastern College graduates have the highest starting wages of any school in Arkansas, and that includes the University of Arkansas Medical School.” Providing opportunity to the workers of tomorrow – one more way U. S. Steel is delivering on a strategy that is truly Best for All.



¹⁰ <https://www.beprobeproudar.org/>; <https://talkbusiness.net/2022/03/state-economic-development-officials-on-hand-for-be-pro-be-proud-draft-day-in-jonesboro/>.

¹¹ <https://www.anc.edu/steeltechacademy/index.htm>