

October 1, 2026

The Honourable Mélanie Joly, P.C., M.P.
Minister of Industry
235 Queen St.
Ottawa, Ontario K1A 0H5
By email: melanie.joly@ised-isde.gc.ca

Re: Urgent request for compliance review of Cleveland-Cliffs' *Investment Canada Act* commitments and emergency meeting

Dear Minister,

I am writing on behalf of the United Steelworkers union (USW) regarding Cleveland-Cliffs' announcement that it will indefinitely idle Stelco's cold-rolled and coated operations in Hamilton, resulting in the layoff of hundreds of Steelworkers represented by USW Local 1005.

We appreciate your statement expressing the government's disappointment with this decision and your commitment to use every available lever to protect Canadian steelworkers and our industry. We also welcome Prime Minister Carney's statement yesterday that Cleveland-Cliffs has legal obligations to Canadian workers and that the government intends to hold the company accountable. We believe one of the clearest ways to follow through on those commitments is to enforce the binding undertakings Cleveland-Cliffs made under the *Investment Canada Act* when the federal government approved its acquisition of Stelco in 2024.

As part of that approval, Cleveland-Cliffs committed for five years to, among other things, **continue to employ at least the same number of unionized employees as were employed when the transaction was announced**, maintain Stelco's head office in Hamilton, honour its collective agreements and pension and benefit commitments, and make significant capital and research and development expenditures in support of Stelco's operations.

Those commitments were a key part of Cleveland-Cliffs' case that its acquisition of Stelco would provide a net benefit to Canada. They were not simply expressions of intent. They were binding undertakings made to the Government of Canada as part of the approval of the transaction.

The announced indefinite layoffs therefore raise an obvious and serious question about whether Cleveland-Cliffs remains in compliance with its commitments.

We recognize the extraordinary pressures facing Canada's steel industry as a result of the U.S. trade war, including the 50% U.S. steel tariffs and continuing import pressure in Canada. However, difficult market conditions cannot automatically erase commitments that were central to the approval of a major foreign acquisition.

There are also specific circumstances that require close examination before any claim that these layoffs are unavoidable is accepted.

Cleveland-Cliffs CEO Lourenco Goncalves has publicly championed President Trump's steel tariffs and stated that he helped influence the decision to raise them to 50%. The company is now citing those same tariffs as justification for indefinitely laying off Canadian Steelworkers. At the same time, the U.S. administration is openly promoting its tariff policy as a tool to attract steel investment, production and employment into the United States.

We are also deeply concerned by reports that the federal government offered Cleveland-Cliffs assistance intended to sustain operations and protect jobs, but that the company chose to proceed with the layoffs. This raises important questions about whether reasonable alternatives were available and whether the layoffs were truly unavoidable.

For these reasons, we are asking you to **immediately open, or confirm that ISED has opened, a formal compliance review of Cleveland-Cliffs' undertakings under the *Investment Canada Act*** under which, the government will:

- require Cleveland-Cliffs to demonstrate how the announced layoffs are consistent with its binding commitment to maintain unionized employment;
- examine not only general market conditions, but Cleveland-Cliffs' own corporate decisions, including the allocation of production, customer orders, investment and employment between its Canadian and U.S. operations;
- determine what alternatives to layoffs were available, including the federal assistance offered to the company, and why Cleveland-Cliffs rejected those measures;
- confirm whether Cleveland-Cliffs has sought any amendment, replacement, waiver or other relief from its original undertakings; and
- use the enforcement powers available under the Investment Canada Act, including a formal demand under section 39, if the government determines that Cleveland-Cliffs is not meeting its commitments.

If Cleveland-Cliffs fails to comply, the government should be prepared to seek enforcement through the courts under section 40, including an order requiring compliance with the undertakings and any other remedies warranted under the Act.

USW Local 1005 and our national and district leadership are ready to provide information relevant to any compliance review, including employment figures, company communications and information concerning changes to production and operations.

Cleveland-Cliffs was allowed to acquire Stelco because it made binding commitments to Canada and Canadian workers. Those commitments were part of the price of approval. They must mean

something. If Cleveland-Cliffs is not prepared to honour the commitments it made to secure approval of this acquisition, the Government of Canada must be prepared to enforce them.

Given the layoffs are scheduled to begin within days, we are requesting an **emergency meeting with you and appropriate ISED officials** to discuss the situation, the government's review of Cleveland-Cliffs' commitments and the immediate steps necessary to protect Stelco workers and Canadian steelmaking capacity.

We urge the government to act before these layoffs take effect and look forward to your prompt response.

Yours sincerely,

Marty Warren
USW National Director

cc: The Right Honourable Mark Carney, P.C., M.P., Prime Minister of Canada
Marc-André Blanchard, Chief of Staff to the Right Hon. Prime Minister
Paul Moen, Chief of Staff to the Hon. Minister of Industry
Kevon Stewart, USW District 6 Director
Ron Wells, USW Local 1005 President
John McElroy, USW Local 8782 President