

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement Agreement” or “Agreement”) is entered into this 22nd day of September, 2023 (the “Effective Date”), by and between the Allegheny County Health Department (“ACHD” or the “Department”) and the United States Steel Corporation (“U. S. Steel”), (collectively, the “Parties”);

WHEREAS, the Director of the ACHD has been delegated authority pursuant to the federal Clean Air Act, 42 U.S.C. §§ 7401 et seq., and the Pennsylvania Air Pollution Control Act, 35 P.S. §§ 4001 et seq., and the ACHD is a local health agency organized under Local Health Administration Law, Act 315 of August 24, 1951, P.L. 1304, as amended, 16 Pa.C.S. §12001 et seq., whose powers and duties include the enforcement of laws relating to public health within Allegheny County, including the Allegheny County Health Department’s Rules and Regulations, Article XXI, Air Pollution Control (“Article XXI”);

WHEREAS, U. S. Steel is a corporation organized under the laws of the state of Delaware and operates its Clairton Works facility (“Facility”) situated in the city of Clairton, Allegheny County, PA;

WHEREAS, on June 27, 2019, the Parties entered into a Settlement Agreement and Order #190604 (the “SAO”), which, among other things, provides for the ACHD to issue demands for stipulated penalties for alleged violations of Section 2105.21 of Article XXI at the Facility;

WHEREAS, on March 2, 2022, ACHD issued to U. S. Steel a demand for \$859,300 in stipulated penalties under the SAO, alleging that U. S. Steel committed violations of Section

2105.21 of Article XXI at the Facility between April 1, 2021, through December 31, 2021, (the “First Demand”);

WHEREAS, on March 31, 2022, U. S. Steel submitted to the ACHD a Notice of Dispute as to certain violations alleged in the First Demand and, per the terms of the SAO, paid \$773,370 to the Community Benefit Trust; and \$85,930 to the Allegheny County Clean Air Fund, without any waiver of its right to further dispute or object to the First Demand;

WHEREAS, on January 17, 2023, after the Parties’ unsuccessful attempts at informal dispute resolution and exchange of Statements of Position, per Paragraph 26 of the SAO, U. S. Steel filed a Petition for Dispute Resolution with the ACHD Hearing Officer regarding the certain violations alleged in the First Demand, asserting that, in issuing the demand, ACHD breached its obligations required by Paragraph 11 of the SAO, such that the First Demand was improper and invalid (the “First Dispute,” docketed at ACHD-23-006 on ACHD’s Legal Docket);

WHEREAS, on November 28, 2022, ACHD issued to U. S. Steel a demand for \$458,225 in stipulated penalties under the SAO, alleging that U. S. Steel committed violations of Section 2105.21 of Article XXI at the Facility between January 1, 2022, through March 31, 2022, (the “Second Demand”);

WHEREAS, on December 28, 2023, U. S. Steel submitted to the ACHD a Notice of Dispute as to certain violations alleged in the Second Demand and, per the terms of the SAO, paid \$412,402.50 to the Community Benefit Trust; and \$45,822.50 to the Allegheny County Clean Air Fund, without any waiver of its right to further dispute or object to the Second Demand;

WHEREAS, on May 22, 2023, after the Parties’ unsuccessful attempts at informal dispute resolution and exchange of Statements of Position, per Paragraph 26 of the SAO, U. S. Steel filed a Petition for Dispute Resolution with the ACHD Hearing Officer regarding certain violations

alleged in the Second Demand, asserting that, in issuing the demand, ACHD breached its obligations required by Paragraph 11 of the SAO such that the Second Demand was improper and invalid (the “Second Dispute,” docketed at ACHD-23-026 on ACHD’s Legal Docket);

WHEREAS, on March 15, 2023, ACHD issued to U. S. Steel a demand for \$307,800 in stipulated penalties under the SAO, alleging that U. S. Steel’s Facility committed violations of Section 2105.21 of Article XXI between April 1, 2022, through June 30, 2022, (the “Third Demand,” collectively with the First and Second Demands, the “Demands”);

WHEREAS, on April 13 and 14, 2023, U. S. Steel submitted to the ACHD a Notice of Dispute regarding certain violations alleged in the Third Demand and, per the terms of the SAO, paid \$277,020 to the Community Benefit Trust; and \$30,780 to the Allegheny County Clean Air Fund, without any waiver of its right to further dispute or object to the March 15, 2023 ACHD demand for stipulated penalties (the “Third Dispute,” collectively with the First and Second Disputes, the “Disputes”);

WHEREAS, per the terms of the SAO, regarding the Demands and Disputes, U. S. Steel has paid a total of \$1,625,325, with \$1,462,792.50 having been paid to the Community Benefit Trust, and \$162,532.50 having been paid to the Clean Air Fund;

WHEREAS, U. S. Steel has denied and continues to deny liability for certain violations alleged in the Demands;

WHEREAS, ACHD has denied and continues to deny U. S. Steel’s asserted bases for disputing the Demands, including but not limited to U. S. Steel’s assertions that ACHD breached Paragraph 11 of the SAO;

WHEREAS, the Parties agree that this Settlement Agreement shall resolve the outstanding Disputes between the Parties regarding the Demands, and that this Settlement Agreement shall supersede the Demands and the Disputes in their entirety; and

WHEREAS, the Parties agree that this Settlement Agreement has been negotiated in good faith; will avoid the potential for continued prolonged and complex litigation among the Parties; and is fair, reasonable, and in the public interest.

NOW, THEREFORE, without the adjudication or admission of any issue of fact or law, and intending to be legally bound hereby, the Parties hereto agree as follows:

I. JURISDICTION

1. Solely for the purposes of this Settlement Agreement and the underlying alleged violations, U. S. Steel waives all objections and defenses that it may have to jurisdiction or venue. U. S. Steel shall not challenge ACHD's jurisdiction to enter into or to enforce this Settlement Agreement.

II. STIPULATED PENALTY PAYMENT; WITHDRAWAL OF DISPUTES

2. U. S. Steel agrees to pay a total stipulated penalty of \$1,300,260 in connection with the Demands (the "Stipulated Penalty Payment"). Of the total Stipulated Penalty Payment of \$1,300,260, \$1,170,234 shall be paid to the Community Benefit Trust, as specified in Paragraph 9.A of the SAO, and \$130,026 shall be paid to the Allegheny County Clean Air Fund, as specified in Paragraph 9.B. of the SAO.

3. The Parties acknowledge and agree that, as of the Effective Date of this Agreement, U. S. Steel has already paid the Stipulated Penalty Payment in full and in the distributions identified in the preceding paragraph.

4. ACHD shall credit U. S. Steel \$325,065, being a portion of the amount that, as set forth above, U. S. Steel previously paid when initiating the Disputes, and ACHD shall apply that credit as an automatic offset against any potential future stipulated penalties issued under the SAO, or civil penalties assessed in accordance with Subparagraph 4.d below, by ACHD against U. S. Steel as follows:

- a. If (1) there are violations under the SAO that would result in a stipulated penalty under the SAO, (2) the offset results in a stipulated penalty of \$0.00, and (3) the stipulated penalty that would have been assessed is less than the remaining credit available, then the remainder of the credit after the offset shall automatically be applied to the next potential stipulated penalty. This process shall continue until the balance of the remaining credit is \$0.00 or until the SAO is terminated or expires, whichever comes first. At no point shall ACHD apply an offset under this Agreement that is greater than the remaining balance of the credit or the stipulated penalty.
- b. If there are violations under the SAO that would result in a stipulated penalty, and the offset results in a stipulated penalty of \$0.00, then ACHD will still issue a demand for stipulated penalties per the SAO, with the understanding that U. S. Steel will not have to submit any payment in order to preserve its right to dispute the assessed violations.
- c. No offset will affect U. S. Steel's right and ability to dispute any future demand for stipulated penalties and underlying violations issued under the SAO by ACHD against U. S. Steel.

d. If, upon the expiration or termination of the SAO, any amount of the \$325,065 credit remains, then ACHD will automatically apply the remaining credit as an offset as follows: (a) to any assessed civil penalty against U. S. Steel that is unpaid at that time, or (b) if no such civil penalty remains unpaid at that time, the offset shall be applied to the next potential civil penalty assessed by the ACHD against U.S. Steel.

5. Within thirty (30) calendar days of the Effective Date of this Agreement, U. S. Steel shall take all necessary steps to discontinue the First Dispute, Second Dispute, and Third Dispute with prejudice.

6. This Agreement shall terminate upon: (a) ACHD's application as an offset the final, remaining amount of the credit referenced in Paragraph 4 above; and (b) final resolution of any dispute or appeal of any penalty demand, issuance, or assessment which involved the application of any of the credit.

III. RELEASE

7. ACHD agrees that, in consideration for the good and valuable consideration exchanged and referenced herein, the receipt and sufficiency of which is hereby acknowledged, it hereby releases and forever discharges U. S. Steel from any and all claims related to alleged violations of the charging standards (§2105.21(a)), door leak standards (§2105.21(b)), charging ports standards (§2105.21(c)), offtake piping standards (§2105.21(d)), pushing fugitive emissions opacity standards (§2105.21(e)(4)), hot car/travel opacity standards (§2105.21(e)(5)), combustion stacks opacity standard (§2105.21(f)(3)-(4)), and soaking opacity standard (§2105.21(i)); as set forth in Section 2105.21 of Article XXI as it was in effect at that time, and as provided in

Paragraphs 11A, 11B, 11C, 11D, 11F, and 11G of the SAO, occurring during the period of April 1, 2021, to June 30, 2022.

IV. APPLICABILITY

8. The provisions of this Settlement Agreement shall apply to, be binding upon, and inure to the benefit of ACHD, U. S. Steel, and upon their respective officers, directors, agents, contractors, employees, servants, successors, and assigns.

9. The duties and obligations under this Settlement Agreement shall not be modified, diminished, terminated, or otherwise altered by the transfer of any legal or equitable interest in the Facility or any part thereof.

10. This Agreement does not constitute an admission of liability or fault by either Party regarding any fact, claim, allegation, issue of law, or violation of law; nor will compliance with the Agreement constitute or be deemed an admission by either Party of any fact, claim, allegation, issue of law, or violation of law. The Parties do not authorize any other persons to use the findings in this Settlement Agreement in any matter or proceeding.

11. The undersigned representatives of the Parties certify that they are fully authorized to execute this Settlement Agreement on behalf of their respective Party and to legally bind their respective Party to this Settlement Agreement.

V. DISPUTE RESOLUTION

12. Unless otherwise expressly provided for in this Settlement Agreement, the Dispute Resolution procedures of this Section shall be the exclusive mechanism to resolve disputes regarding this Settlement Agreement.

13. The Parties agree that the proper and exclusive venue for any formal dispute relating to or arising out of this Agreement shall be before the Allegheny County Health Department Hearing Officer.

14. Informal Dispute Resolution. Any dispute subject to Dispute Resolution under this Settlement Agreement shall first be the subject of informal negotiations. The dispute shall be considered to have arisen when the aggrieved Party sends the other Party a written Notice of Dispute. Such Notice of Dispute shall clearly state the contested matter. The period of informal negotiations shall not exceed 20 days from the date the dispute arises. If the Parties cannot resolve a dispute by informal negotiations, then the position advanced by the ACHD shall be considered binding unless, within 20 days after the conclusion of the informal negotiation period, the other Party invokes the Formal Dispute Resolution procedures, as set forth below.

15. Formal Dispute Resolution. If the Parties cannot resolve a dispute by informal negotiations, either Party may seek formal resolution of the dispute by filing with the Hearing Officer and serving on the other Party a Petition requesting formal resolution of the dispute.

- a. The Petition must be filed within 20 days after the conclusion of the informal dispute resolution period. The Petition shall contain a written statement of the aggrieved Party's position on the matter in dispute.
- b. Within 20 days of receipt of the filed Petition, the other Party shall file a written Response to the Petition. The Response shall contain a written statement of the responding Party's position on the matter in dispute.
- c. The Petition and Response shall constitute the full and complete record for purposes of formal resolution of a dispute.

- d. Once the record before the Hearing Officer is full and complete, the Parties shall present their positions at oral argument before the Hearing Officer.
- e. The Hearing Officer shall render their final decision on the basis of the full and complete record and oral argument. The final decision of the Hearing Officer shall be appealable by either Party to the Court of Common Pleas of Allegheny County.

16. Unless otherwise expressly provided for in this Settlement Agreement, the invocation of Informal or Formal Dispute Resolution procedures under this Section shall not of itself extend, postpone, act as a stay, or affect in any way any obligation of either Party under this Settlement Agreement.

VI. GENERAL TERMS

17. All correspondence with ACHD concerning this Settlement Agreement shall be addressed to:

Allason Holt
Program Manager
Compliance and Enforcement Program
Allegheny County Health Department
301 39th Street, Building 7
Pittsburgh, PA 15201-1811
allason.holt@alleghenycounty.us

With a copy to:

Jason Willis, Solicitor
Allegheny County Health Department
Legal Section
301 39th Street, Building 7
Pittsburgh, PA 15201-1811
jason.willis@alleghenycounty.us

And

Wesley S. Speary, Assistant Solicitor
Allegheny County Health Department
Legal Section
301 39th Street, Building 7
Pittsburgh, PA 15201-1811
wesley.speary@alleghenycounty.us

18. All correspondence with U. S. Steel concerning this Settlement Agreement shall be addressed to:

Matt DeLibero
Director
United States Steel Corporation
Mon Valley Works
400 State Street
Clairton, PA Pittsburgh, PA 15025
MJDelibero@uss.com

With a copy to:

David W. Hacker
Law Department
United States Steel Corporation
600 Grant Street – Suite 1500
Pittsburgh, PA 15219
DWHacker@uss.com

19. Service of any notice or legal process for any purpose under this Settlement Agreement, including its enforcement, may be made by mailing an original or true and correct copy by First Class mail to the above contacts and addresses, or by sending through electronic mail to the electronic mail addresses above.

20. U. S. Steel or ACHD shall notify the other Party whenever there is a change in their contact person's name, title, or address.

21. This Settlement Agreement shall constitute the entire integrated agreement of the Parties. No prior or contemporaneous communications or prior drafts shall be relevant or

admissible for the purposes of determining the meaning or intent of any provisions herein in any litigation or other proceeding.

22. This Agreement shall be considered to be the result of drafting and composition by all Parties, and no Party shall be considered to be its draftsman.

23. Excluding Sections II (Stipulated Penalty Payment; Withdrawal of Disputes) and III (Release) above, the provisions of this Settlement Agreement are severable. If any other provision or part thereof is declared invalid or unenforceable or is set aside for any other reason, the remainder of the Settlement Agreement shall remain in full effect.

24. A title used at the beginning of any paragraph of this Settlement Agreement shall not be considered to control but may be used to aid in the construction of the paragraph.

25. No changes, additions, modifications, or amendments to this Settlement Agreement shall be effective unless they are set forth in writing and signed by the Parties hereto.

26. The Parties shall bear their respective attorneys' fees, expenses, and other costs with regard to the prosecution or defense of the Disputes or any matters relating to the Demands.

27. This Settlement Agreement shall become effective upon signature by the Parties and the Allegheny County Health Department Hearing Officer as of the Effective Date first noted above.

28. This Settlement Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Settlement Agreement. In addition, the Parties agree that this transaction may be conducted by electronic means. This includes the use of electronic signatures and that signatures sent via

facsimile or electronic mail shall constitute original signatures for purposes of this Agreement, and that a photocopy may be used in place of originals for any purpose.

IN WITNESS WHEREOF, the Parties hereto have caused this Settlement Agreement to be executed by their duly authorized representatives. The undersigned representatives of U. S. Steel and ACHD certify under penalty of law, as provided by Pa.C.S. § 4909, that they are authorized to execute this Settlement Agreement on behalf of their respective Party. U.S. Steel consents to the entry of this Settlement Agreement as a final order of ACHD; and that, except as otherwise provided herein or in the SAO, U.S. Steel knowingly waives its rights to appeal this Settlement Agreement and to challenge its contents or validity, which rights may be available under Article XI, the Pennsylvania Local Agency Law, 2 Pa.C.S. § 105 et seq, or any other applicable provision of law. Signatures by the Parties' attorneys certify only that this Settlement Agreement has been signed after consultation with counsel.

[SIGNATURE PAGE TO FOLLOW]

Agreed to by:

UNITED STATES STEEL CORPORATION

By: 

Name: David W. Hacker, Esq.

Title: Senior Counsel

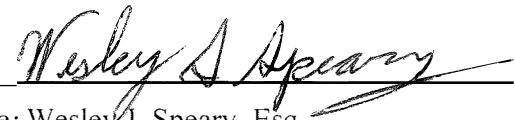
ALLEGHENY COUNTY HEALTH DEPARTMENT

By: 

Name: Allason Holt

Title: Air Quality Manager for Enforcement


ALLEGHENY COUNTY HEALTH DEPARTMENT

By: 

Name: Wesley J. Speary, Esq.

Title: Assistant Solicitor

ALLEGHENY COUNTY HEARING OFFICER

By: 

Name: John McGowan, Esq.

Title: Hearing Officer