

U.S. Steel announced potential temporary layoffs of as many as 2,000 across two states late Monday afternoon, January 2. The reductions could begin as early as late March according to most reports, including one by WBRC-Fox 6. The proposed reduction could result in 1670, nearly 77 percent of the company's 2170 employees at its Fairfield Works and Fairfield Tubular Operations properties not working for an extended period of time in addition to

workers in Texas. *AL.com* reports union representatives have been talking with company officials, noting the final numbers are "subject to change based on market conditions." <u>WIAT 42 reports the potential impact on nearby businesses</u> reliant on those workers is real and significant.

The layoffs were announced the day before the Pittsburgh-based company's initial fourth quarter earnings reports were released — reports that boast the its highest full-year net income levels since 2008. They are also not the only moves hinted at by the company in recent weeks; layoffs have already been announced for plants in Ohio and Texas. Company leaders are expected to explain the rationale behind the decision during a conference call on Wednesday morning, January 28.

UPDATE: During the January 28 conference call (audio file via Reuters), company officials said the length of the layoffs and the final number would be dependent on market demand for product over a rolling two-month period.

The news also follows the announcement of a court-approved settlement with the Hill Community Development Corporation last week allowing U.S. Steel to move forward with plans to build its new world headquarters as part of a redevelopment plan for the former site of Pittsburgh's Civic Arena. The city's Urban Redevelopment Authority approved a tax abatement district for the project on January 26 as part of that agreement. The new 268,000 square foot, five story building may now break ground during the third quarter of 2015 and will include a museum and retail space according to a report in the Pittsburgh Business Times. It will anchor a project estimated to cost \$440 million and slated to include affordable housing, infrastructure improvements, and job training resources for those living in the surrounding area. The move frees up more than 425,000 square feet of space in the tower that once bore the company's name in downtown Pittsburgh.