

ITEM 9. Regulation FD Disclosure.



	Average Cost Per Hour
Wages (including bonuses and premiums)	\$ 24.22
Health Care (active and retiree)	13.41
Pension Cost (active and retiree)	8.39
Vacation, Holiday and Other Fringes	7.71
Total Employment Cost Per Hour	\$ 53.73

In spite of these high costs, Cliffs and its partners are prepared to offer substantial wage increases matching those offered to employees at U.S. Steel mines. Additionally, with path improvements the Company has the capability and willingness to accelerate funding into pension and retiree health care accounts. But, as we have noted, the mines must also have the same ability as Minntac and Keetac to increase productivity and to help control the rapidly rising cost of health care for employees and retirees. We ask no more than to be able to function on a level playing field with our competitors.

Cleveland-Cliffs has survived three years of serious financial losses and is returning to profitability. However, given the realities of global iron ore and steel pricing, and Cliffs long-term supply agreements with its domestic customers, the Company cannot automatically raise prices to absorb higher costs proposed by the union. In fact, this combination of rising costs, stagnant prices and uis

While we must ensure our ability to operate during a labor disruption, I want to emphasize our foremost desire for a settlement with the Steelworkers. We earnestly hope to work closely with the union in order to protect jobs and secure the mines' future. We will do everything we can for it.
