
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

May 8, 2006

Cleveland-Cliffs Inc

(Exact name of registrant as specified in its charter)

Ohio

(State or other jurisdiction
of incorporation)

1-8944

(Commission
File Number)

34-1464672

(I.R.S. Employer
Identification No.)

1100 Superior Avenue, Cleveland, Ohio

(Address of principal executive offices)

44114-2589

(Zip Code)

Registrant's telephone number, including area code:

216-694-5700

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) (17 CFR 240.13e-4(c))
-

[Top of the Form](#)

Item 1.01 Entry into a Material Definitive Agreement.

On May 8, 2006, the Compensation and Organization



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

March 15, 2005

Cleveland-Cliffs Inc

By: *Robert J. Leroux*

Name: Robert J. Leroux

Title: Vice President and Controller

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.(a)	Form of Cleveland-Cliffs Inc Long-Term Incentive Program Participant Grant and Agreement Year 2006
10.(b)	Amendment No. 1 to Long-Term Incentive Program dated May 8, 2006 and effective January 1, 2006

CLEVELAND-CLIFFS INC

**Long-Term Incentive Program
Participant Grant and Agreement
Year 2006**

WHEREAS, on April 14, 1992, the shareholders of Cleveland-Cliffs Inc, an Ohio corporation ("Company" and the term "Company" as used herein shall also include the Company's consolidated Subsidiaries) approved the 1992 Incentive Equity Plan of the Company; and

WHEREAS, on May 13, 1997, the shareholders of the Company approved the 1992 Incentive Equity Plan (as Amended and Restated ~ed and

~~(b) (1) Pursuant to the Incentive Program, the Company hereby grants to the Participant the number of Performance Shares as specified in the Ninth WHEREAS clause of this Agreement, without dividend equivalents, effective as of the Date of Grant.~~ Company Performance Objectives were met or exceeded.

1.10 “Relative Total Shareholder Return” shall mean for the Incentive Period the Total Shareholder Return of the Company compared to the Total Shareholder Return of the Peer Group, as more particularly set forth on attached Exhibit C.

1.11 “Retirement or Retired” shall mean retirement as defined in the retirement plan of the Company, including without limitation any supplemental retirement plan.

1.12 “Return on Net Assets” shall mean the Company’s Earnings Before Taxes (excluding minority interest) divided by Average Net Assets, as more particularly described on attached Exhibit D.

1.13 “Subsidiary” shall have the meaning assigned thereto in the 1992 ICE Plan.

1.14 “Total Shareholder Return” shall mean for the Incentive Period the cumulative return to shareholders of the Company and to the shareholders of each of the entities in the Peer Group during the Incentive Period, measured by the change in Market Value Price per share of a Common Share of the Company plus dividends (or other distributions) reinvested over the Incentive Period and the change in the Market Value Price per share of the common share of each of the entities in the Peer Group plus dividends (or other distributions) reinvested over the Incentive Period, determined on the last business day of each quarter during the Incentive Period compared to a base measured by the average Market Value Price per share of a Common Share of the Company and of a common share of each of the entities in the Peer Group on the last business day of each month in the fourth quarter of the year immediately preceding the Incentive Period. Dividends (or other distributions) per share are assumed to be reinvested in the applicable stock on the last business day of the quarter during which they are paid at the then Market Value Price per share, resulting in a fractionally higher number of shares owned at the market price.

ARTICLE 2.

Grant and Terms of Performance Shares

2.1 Grant of Performance Shares. Pursuant to the Incentive Program, the Company hereby grants to the Participant the number of Performance Shares as specified in the Ninth WHEREAS clause of this Agreement, without dividend equivalents, effective as of the Date of Grant.

2.2 Issuance of Performance Shares. The Performance Shares covered by this Agreement shall only result in the issuance of Common Shares (or cash or a combination of Common Shares and cash, as decided by the Committee in its sole discretion), after the completion of the Incentive Period and only if such Performance Shares are earned as provided in Section 2.3 of this Article 2.

2.3 Performance Shares Earned. Payout of Performance Shares Earned, if any, shall be based upon the degree of achievement of the Company Performance Objectives, all as more particularly set forth in Exhibit B, with actual payouts interpolated between the performance levels shown on Exhibit B. In no event, shall \hat{A} s , shal

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Retention Units for the realization of such benefit that the Participant make arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld. If necessary, the Committee may require relinquishment of a portion of such Performance Shares Earned or such Retention Units. In the case of Performance Shares Earned, the Participant may elect to satisfy all or any part of any such withholding obligation by surrendering to the Company a portion of the Common Shares that are issued or transferred or that become nontransferable by the Participant hereunder, and the Common Shares so surrendered by the Participant shall be credited against any such withholding obligation at the Market Value Price per share of such Common Shares on the date of such surrender. In no event, however, shall the Company accept Common Shares for payment of taxes in excess of required tax withholding rates, except that, in the discretion of the Committee, a Participant or such other person may surrender Common Shares owned for more than six months to satisfy any tax obligation resulting from such transaction.

5.3 Continuous Employment. For purposes of this Agreement, the continuous employment of the Participant with the Company shall not be deemed to have been interrupted, and the Participant shall not be deemed to have ceased to be an employee of the Company, by reason of the transfer of his employment among the Company and its Subsidiaries or an approved leave of absence.

5.4 Claim to Awards and Employment Rights. No Participant shall have any claim or right to be granted another award under the Incentive Program. The Incentive Program shall not confer upon any Participant any right with respect to the continuance of employment or other service with the Company and shall not interfere in any way with any right that the Company would otherwise have to terminate any employment or other service of the Participant at any time.

5.5 Relation to Other Benefits. Any economic or other benefit to the Participant under this Agreement or the Incentive Program shall not be taken into account in determining any benefits to which the Participant may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.

5.6 Agreement Subject to Plans. The Retention Units and Performance Units are subject to the terms and conditions of the applicable Plan.

(2006-2008)

AK Steel Holding Corp.
Algoma Steel Inc.
BHP Billiton
Carpenter Technology
Com

AMENDMENT NO. 1

TO

LONG-TERM INCENTIVE PROGRAM

This Amendment No. 1 is executed as of the date set forth below by Cleveland-Cliffs Inc (the "Company");

WITNESSETH:

WHEREAS, effective May 8, 2000, the Company established the Cleveland-Cliffs Inc Long-Term Incentive Plan (the "Incentive Plan") in order to attract and retain executives and other key employees of the Company and its subsidiaries and to align their interests directly with the interests of the shareholders of the Company by increasing the Company's long-term value and exceeding the performance of peer companies; and

WHEREAS, the committee (or subcommittee) established under the terms of the 1992 Incentive Equity Plan (the "Committee") has the right to amend the Incentive Plan pursuant to Section 8.5; and

WHEREAS, the Committee authorized that the Incentive Plan be amended in order to eliminate the maximum amount that may be paid from the Incentive Plan; and

WHEREAS, the Committee authorized that any such amendment to the Incentive Plan may be executed by any member of the Committee;

NOW, THEREFORE, pursuant to Section 8.5 of the Incentive Plan, the Incentive Plan is hereby amended, effective January 1, 2006, as follows:

(1) Paragraph (iii) of Section 5.3(b) of the Incentive Plan is hereby amended by the deletion of said Paragraph in its entirety and the substitution in lieu thereof of a new Paragraph (iii) to read as follows:

"(iii) Each grant shall specify the Management Objectives, with respect to the Performance Shares, that are to be achieved by the Company and a required minimum level of achievement below which no payment of Performance Shares will be made. Each grant of Performance Shares shall set forth a formula for determining the amount of any payment to be made if performance is at or above the required minimum level."

(2) Section 5.4 of the Incentive Plan is hereby amended by the deletion of Subsection (e) in its entirety.

(3) Section 7.4 of the Incentive Plan is hereby amended by the deletion of said Section in its entirety and the substitution in lieu thereof of a new Section 7.4 to read as follows:

"7.4 Change in Control. Except as may otherwise be determined in accordance with the Participant's Grant and Agreement, in the event a Change in Control occurs before completion of an Incentive Period(s), all Performance Shares or Retention Units granted to a Participant shall immediately become Performance Shares Earned in the case of Performance Shares, and the value of which shall be paid in cash within 10 days of the Change in Control, and Retention Units shall become immediately nonforfeitable and be paid in cash within 10 days."

IN WITNESS WHEREOF, the Committee, by a duly authorized member, has executed this Amendment No. 1 as of this 8th day of May, 2006.

By: /s/ F. R. McAllister