

CLIFFS NATURAL RESOURCES INC.

Reported by
GALLAGHER DONALD J

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 01/03/07 for the Period Ending 12/28/06

Address	200 PUBLIC SQUARE STE. 3300 CLEVELAND, OH 44114-2315
Telephone	216-694-5700
CIK	0000764065
Symbol	CLF
SIC Code	1000 - Metal Mining
Industry	Metal Mining
Sector	Basic Materials
Fiscal Year	12/31

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE
COMMISSION
Washington, D.C. 20549**

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[] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public
Utility Holding Company Act of 1935 or Section 30(f) of the
Investment Company Act of 1940

1. Name and Address of Reporting Person * GALLAGHER DONALD J <small>(Last) (First) (Middle)</small> 1100 SUPERIOR AVENUE <small>(Street)</small> CLEVELAND, OH 44114 <small>(City) (State) (Zip)</small>	2. Issuer Name and Ticker or Trading Symbol CLEVELAND CLIFFS INC [CLF] 3. Date of Earliest Transaction (MM/DD/YYYY) 12/28/2006 4. If Amendment, Date Original Filed (MM/DD/YYYY)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Pres. N. Am. Iron Ore 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
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Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Trans. Date	2A. Deemed Execution Date, if any	3. Trans. Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/28/2006		G		100	D	\$0.00 ⁽¹⁾	25284.024	D	
Common Stock								47887 ⁽²⁾	I	By VNQDC ⁽³⁾

Table II - Derivative Securities Beneficially Owned (e.g. , puts, calls, warrants, options, convertible securities)

1. Title of Derivate Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Trans. Date	3A. Deemed Execution Date, if any	4. Trans. Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction (s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Retention Units 2004-2006	(4)							(5)	(5)	Common Shares	2760		2760 ⁽⁶⁾	D	
Retention Units 2005-2007	(4)							(7)	(7)	Common Shares	1230		1230 ⁽⁸⁾	D	
Retention Units 2006-2008	(4)							(9)	(9)	Common Shares	1260		1260 ⁽¹⁰⁾	D	

Explanation of Responses:

- (1) Disposition of shares as gift requires no dollar amount.
- (2) Held for the benefit of the Reporting Person by the Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan (VNQDC). The balance shown also includes 115 shares acquired December 1, 2006 (to shareholders of record on November 24, 2006) pursuant to the dividend reinvestment feature of the VNQDC.
- (3) Held for the benefit of the Reporting Person by the VNQDC.
- (4) Convertible into Common Shares on a 1-for-1 basis.
- (5) Represents a grant of Retention Units to the Reporting Person under the Cleveland-Cliffs Inc Long-Term Incentive Program covering the period January 1, 2004 through December 31, 2006 (Incentive Period). Payment of the Retention Units will be made in cash after

the completion of the Incentive Period based upon the employment by the Company of the Reporting Person and the market value of a Common Share of the Company on the last day of the Incentive Period.

- (6) On December 30, 2004, the common stock of Cleveland-Cliffs Inc split 2-for-1, resulting in the reporting person's acquisition of 690 additional retention units. On June 30, 2006, the common stock of Cleveland-Cliffs Inc split 2-for-1 again, resulting in the reporting person's acquisition of 1,380 additional retention units.
- (7) Represents a grant of Retention Units to the Reporting Person under the Cleveland-Cliffs Inc Long-Term Incentive Program covering the period January 1, 2005 through December 31, 2007 (Incentive Period). Payment of the Retention Units will be made in cash after the completion of the Incentive Period based upon the employment by the Company of the Reporting Person and the market value of a Common Share of the Company on the last day of the Incentive Period.
- (8) On June 30, 2006, the common stock of Cleveland-Cliffs Inc split 2-for-1, resulting in the reporting person's acquisition of 615 additional retention units.
- (9) Represents a grant of Retention Units to the Reporting Person under the Cleveland-Cliffs Inc Long-Term Incentive Program covering the period January 1, 2006 through December 31, 2008 (Incentive Period). Payment of the Retention Units will be made in cash after the completion of the Incentive Period based upon the employment by the Company of the Reporting Person and the market value of a Common Share of the Company on the last day of the Incentive Period.
- (10) On June 30, 2006, the common stock of Cleveland-Cliffs Inc split 2-for-1, resulting in the reporting person's acquisition of 630 additional retention units.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GALLAGHER DONALD J 1100 SUPERIOR AVENUE CLEVELAND, OH 44114			Pres. N. Am. Iron Ore	

Signatures

Donald J. Gallagher

1/3/2006

Date

** Signature of Reporting Person

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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