

STEEL UNIT

Stanley King, President

INTERNAL COST REDUCTIONS WILL KEEP ROUGE STEEL COMPETITIVE!!

Job security is the number one priority in the upcoming auto talks, and surely the number one priority in the domestic steel industry. Not only does Rouge Steel Co. have to compete with foreign steel mills that flood our market with illegally dumped steel and whose governments subsidize its health care and retirements, we now have a new challenge. ISG, formerly LTV and ACME Steel, is expected to ratify a new labor contract with the United Steel Workers that is supposed to give ISG a significant advantage over Rouge Steel Co. and its domestic competitors. The contract will enable ISG to have a more flexible work force, get rid of its legacy cost obligations by walking away from its retirees, and have a watered-down health package.

ISG also made a $1.5 billion offer to purchase Bethlehem Steel. If this transaction happens it will make ISG the largest integrated steel manufacturer in the United States. This new labor agreement would surely be the pattern that the remaining steel companies would want to adopt for their upcoming labor contracts with the United Steel Workers and the UAW.

A bidding war has developed between AK and US Steel for the purchase of National Steel's assets. Securing a labor agreement with the United Steel Workers will probably determine the winner. Wheeling Pitt took some steps over the past two months to try to emerge from Chapter 11 status. It is contingent upon approval of its $250 million loan application now pending with the Federal Emergency Steel Loan Guarantee Board. Wheeling Pitt is also looking to negotiate a labor contract similar to the ISG package with the US Steel Workers. Last, but not least, Weirton Steel Co. and its independent steel union has scheduled the re-opening of contract talks a year before expiration. Struggling to compete with the lower cost structures now enjoyed by ISG could amount to over one hundred dollars per ton for a cold roll coil, much of it in labor cost reductions.

With the new steel labor agreements pending from our domestic competitors, we, Rouge Steel Co. and the Union, must come up with more humane ways to compete. ISG has turned its back on its retirees to rid itself of its legacy costs. The proposed agreement would eliminate thirty percent of its hourly workforce and eighty percent of the company's management personnel, along with just five job classifications and a watered- down health plan for its existing workers. With the acquisition of Bethlehem Steel, an estimated four to five thousand steel workers will lose their jobs.

I have heard that some managers at Rouge Steel Co. are willing and ready to open up our contract and adopt some of the highlights of the ISG contract. However, let it be known to these managers, and anyone else that is interested, that we, Rouge Steel, one of the four integrated steel mills in the U.S. that has, so far, avoided Chapter 11, have a contract that expires in August 2004. Before we give up on the concept of our contract that we felt gave Rouge Steel advantages over its competitors, such as staggered down turns, etc., we, the union, would also like to contribute from the hourly side in waste management. The company did an internal audit in cost reductions and came up with 61 million dollars in cost savings. This was accomplished through internal operating and process changes, negotiating better prices and terms from its suppliers and reduced spending.

The Company has asked the union and its hourly workforce for help. Instead of fighting over job cuts and imposing ridiculous work rule changes that would ultimately do more harm than good, we, the hourly workforce, the Company's most precious asset, have an opportunity to have an active voice and impact in our operations, as it was intended to be. We can take the first steps in alternative actions that do not jeopardize Rouge Steel's jobs and benefits that affect both the hourly and salaried workforce, that is, internal cost reductions through elimination of waste, improving first run capability, productivity, quality, and yield. In any business, these items are your real job security. Improving all of the above, one can compete with anyone, foreign or domestic. The Union believes that you are the experts that operate and maintain the mills everyday by sharing good ideas, pointing out waste, holding management accountable for following up on our suggestions and ideas, making a concentrated effort to keep the lines of communication open, and making this a priority in our everyday routines. I believe that we, as a Union and a Company, can avoid the hardships of lost jobs and benefits. The ball is now in our court.

Carl L. Valdiserri Scholarship Program

The Carl L. Valdiserri Scholarship Program is now accepting Fall 2003 applications. The program grants up to twenty scholarships a year, each valued at up to $1,000. Applications can be picked up at Employee Relations, ROB 2058 at Gate 2 Employment Office, and at the Hourly Benefits Office, FOB, Room 106. Completed applications must be mailed directly to Citizens Scholarship Foundations of America (CFSA), the Program Administrator, and post-marked no later than April 15, 2003.

Retirements

The entire Steel Unit would like to congratulate the following brothers and sisters on their hard-earned retirements. May their retirements be long and happy.

Lila Dowtin, #3 Cleaner, Dept. 1910
Thomas Altenburg, Driver, Dept. 1910
Warren Diegel, Maintenance Clerk, Dept. 1721
Richard Dittenber, Recoil Welder Attendant, Dept. 3687

Condolences

The entire Steel Unit would like to give their heartfelt sympathies to those who have lost loved ones, including the family of Mike Shuttleworth, retired Material Coordinator, Dept. 1910; the family of Gordie Swindlehurst, retired Assistant Line Operator, Dept. 7600 Double Eagle; Ira Burton, former Caster in the Electric Arc Furnace, Dept. 2300; Dontell Cokle, Caster, Dept. 2270 BOF, whose grandmother passed away; and Terry Dorsey, Caster BOF Dept 2270, whose sister passed away. May their souls rest in peace.