Steel in Indiana

The Hoosier state produces an estimated 23 percent of the nation’s steel through four mills, including LTV’s sprawling Indiana Harbor Works. The facility, which makes it headquarters in Michigan City, is one of its other major operation, the 3,800-employee Cleveland Works.

But Cleveland has more — scrap yards and steel companies — and service industries. In East Chicago, a visitor finds only strip malls and smokestacks. The city is besieged by its growth, which makes it the last on the list of places that can handle the waste.

Community planner Ed Glover, executive director of the East Chicago Chamber of Commerce, says that the city is a place where the people and the infrastructure are not ready for the growth.

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**Steel**

**Indiana city faces uncertain future**

“If you’re in a truck, you have to get out there. This is an eco-

Another view is that the country has been re-

Early this month, the retirees from the steel industry gathered inside the smaller of<br />

In the old days, when steel was produced, the area was a hot ooze through molds that spitted<br />

Since 1900, the city has been called Marktown, a cluster of homes just outside LTV Corp.’s East Chicago mill, began as a housing development for steelworkers in the early 1900s. It was named for Clayton Mark Sr., who founded the mill to supply his pipe-making business. When Mark sold the mill in 1923, plans for Marktown were abandoned. LTV bought the plant in 1978, and an estimated 60 percent of its workers live outside East Chicago.

But it’s never been Silicon Valley, says Mayor Robert Pastrick. “It may not be Silicon Valley. To go through here, I call it the steel country,” he said. “We’ve got our own problems and they’re not all related to steel.”

Visclosky, a Democrat from southeast Indiana, is a member of the House Ways and Means Committee. He said he’d been working to help East Chicago get a share of the New Markets Investment Credit program, which allows cities to sell bonds on the capital market to fund economic development projects. He said he was “disappointed” that the program didn’t come through.

Visclosky, vice chairman of the Industry group Northwest Indiana, said he was “encouraged” that the plants had been sold.

With fewer workers, the railroadcar company and plant from its second owner, Youngstown Sheet and Tube Co., has been reduced and in 1978, Mark bought it for East Chicago.

LTV’s recent problems have left a sour taste in the steel industry,

But Skvara and workers like him say they’re not all related to steel. “We’re doing the best we can,” he said.

The TV broadcast will include a story on LTV Steel, go to:

In January, East Chicago got a $25 million loan from the city’s security fund. It’s a smart move.

When steel had grown even more, USX-U.S. Steel Group was making mol-

But he seems gratified to know that the plant will be integrated mills to minimills,“ said Visclosky, who recently moved to the House Appropriations Committee. “I’m pleased that the mills shut down, what’s left?” To walk out of a mill at 45 years old with 27 years of service, to walk out of a place with dreams, that’s something. That’s a lot of people,” he said.

So far, LTV’s recent problems have left a sour taste in the steel industry, said Visclosky, who recently moved from the House Ways and Means Committee to the House Appropriations Committee. “I’m pleased that the mills shut down, what’s left?” To walk out of a mill at 45 years old with 27 years of service, to walk out of a place with dreams, that’s something. That’s a lot of people,” he said.

In the 1980s, when steel was produced in huge quantities, the area was a hot ooze through molds that spitted hot steel. It’s a streamlined process, which is combined with commercial-grade scrap metal, someone is overseeing machining that removes impurities from the molten steel and heats it to the proper temperature. Surveys show that people are losing the jobs they’ve had for 50 years, said Visclosky, and the plant can’tuster on its best days.

It’s a smart move. It’s a smart move. Plus, GoldCertificate CDs are FDIC insured up to $100,000.

Glover has tried to get funding to build a new amusement center for East Chicago, but he hasn’t been successful. He said he’d been working to help East Chicago get a share of the New Markets Investment Credit program, which allows cities to sell bonds on the capital market to fund economic development projects. He said he was “disappointed” that the program didn’t come through.

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America's steel industry is like a cat on its eightlife and breathing hard.

An analysis by The Plain Dealer reveals an industry on the verge of collapse. In U.S. companies that make steel, shape or process steel have sought Chapter 11 bankruptcy protection since December 1997.

Similar protection sought by a Mexican steel maker and another in Canada brings the total of the nation's top five steel makers have filed for bankruptcy court aren't faring much better. Four of those companies have lost one billion in debt. They have cut 9,000 jobs and enough money this year to build a new steel mill from scratch. Even the lone money maker, Nucor Corp., reported that profits declined 40 percent from January to the end of March.

David MacGregor, an analyst for Midwest Research, sees the problem not his office window when he looks at the empty piers lining Cleveland's harbor. "What frustrates me is not that steel companies imported crude what they couldn't make enough to meet demand. The four open April 2 and by May 1, the docks are fairly well covered with steel," MacGregor said. "This year there's nothing there."

**A corredor industry**

What comes next for U.S. steel making only North America is under some form of bankruptcy protection.

**TOTAL STEEL CAPACITY (in billion ton)**

<table>
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<tr>
<th>Company</th>
<th>Capacity</th>
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<tr>
<td>Nucor</td>
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<td>Bethlehem</td>
<td>17.0</td>
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<tr>
<td>Cleveland Steel</td>
<td>26.0</td>
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<tr>
<td>Steel Dynamics</td>
<td>10.0</td>
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**Kucinich won't run for mayor**

Congressman to announce decision in Cleveland today


**Homesteaders show the way in Hough's revival**

By RICHARD L. SMITH

The corner stores that seem to stock more mall liquor than milk dominate Hough. The homes are mainly rented, and for the most part a middle-class neighborhood, not long, many residents reacted to news of an carry-out by zabbing their heads in nearby A rundown hit: MooseTracks ice cream is hitting home runs with fans at Jacobs Field. Tom Feran reports.

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CLEVELAND. SUNDAY, MAY 27, 2001

Big Steel waging last-ditch fight for survival

Higher energy costs, worldwide glut cripple industry

By JENNIFER SCOTTA CIMPURMAN

Ande Byler takes 14 tablets of vitamins and supplements daily, including 10 before breakfast, on the recommendation of Barry Hampton, who analyzed his blood. Byler, 56, of Massiepointon, said the tablets have made him feel healthier.

**Blood analyst under investigation**

With microscope in tow, he visits Amish and promotes a multi-pill regimen

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Big Steel seeks shelter

Twenty-two North American steel companies have sought protection from creditors since December 1997. That number includes integrated steel mills, such as steel made from raw ingredients, as well as mini-mills, which make steel from recycled scrap. These companies, which closed plants or cut production, are among the first to use a new bankruptcy law that allows companies to stop paying creditors while they negotiate a restructuring plan.

Steel glut eats costs at neck of crippled industry

In 2001, 330,000 steel jobs disappeared from the 1980s through the early 1990s, according to the Commerce Department. That means companies like LTV don't have much left to trim; this time they're cutting to the bone.
Severstal strives to shed Soviet ways

Cherepovets, Russia

Half a world away from Cleveland’s smoke-smudged industrial valley, the wind carries a smell that reminds you of home: a sulfurous stench like burnt sparklers on the Fourth of July. It’s the smell of steel.

About an hour from Moscow by plane — or, for travelers weary of Russian airlines, an 11-hour trip on a crowded overnight train without air conditioning or toilet paper — Cherepovets is a company town. The company is Severstal.

Inside a sprawling mill connected by miles of brown ductwork and railroad tracks, Severstal makes most of its steel by combining raw ingredients including iron ore to make molten iron. Scrap metal is mixed in, and eventually your get the coils that will become cars, refrigerators and other artifacts of the modern world.

The process is much the same as at LTV Corp.’s bubbling mill breathing the Cuyahoga River in Cleveland. But with LTV, and you’re a world away from Soviet-era boxes to workers’ rooms a safe distance from the fiery furnaces. At Severstal, a reporter and a photographer are free to wander within feet of a river of molten metal flowing from “Severyanka,” the largest steel-making furnace in the world.

LTV workers don heat-shielding silver suits when they tend the massive equipment. Severstal worker Nikolai Ryjov, with a cigarette between his lips, fishes scraps of slag from the flow while protected by little more than a bell-shaped hard hat and a boiled-wool jacket.

The cost of protecting workers in America is high, but it’s nothing compared to the outright lack of safety in Russia — there are no government fines if a worker is hurt on the job — are one reason it can cost less to make steel here than in the United States.

Severstal strives to shed Soviet ways.

Severstal has closed 10 of its 12 open-hearth furnaces, which are inefficient and antiquated by American standards. Open-hearths take eight hours to make a batch of steel. Severstal’s modern furnaces take just 50 minutes.

There are others: A typical LTV worker makes more than $3,300 a month, plus overtime. Ryjov, a 23-year Severstal worker, makes what amounts to less than $100.

That’s not even counting the historical advantages. LTV has to follow government pollution rules. Severstal spent next to nothing on environmental controls until a decade ago, when it stopped dumping the oil and other chemicals that turned the nearby Sheksna River the color of cherry Kool-Aid. Severstal didn’t even have to pay to build its 46-year-old plant. That same courtesy of the old Soviet regime came courtesy of dictator Josef Stalin.

Under Communist rule, the need for Cold War weapons devoured the steel from Cherepovets. But three years ago, the metal pouring out of this mill overflowed a faltering Russian economy that had left state control behind. Much of the overflow flooded America’s doors, and it was cheap. In the first six months of 1998, Russian steel sold for an average of 847 per ton less than similar steel from LTV.

That’s not even counting the historical advantages. And, according to LTV and 11 other American steel makers, it was unfair competition.

A Severstal worker waits for an open-hearth furnace to produce a batch of molten iron. Severstal has closed 10 of its 12 open-hearth furnaces, which are inefficient and antiquated by American standards. Open-hearths take eight hours to make a batch of steel. Severstal’s modern furnaces take just 50 minutes.

Stories by Jennifer Scott Cimperman & Photographs by Mike Levy

Severstal strives to shed Soviet ways.

The Russian steel industry traces its roots to Communist dictators who ordered the construction of most of the country’s steel plants, and, if needed, towns to accommodate workers.

In 2000, Russia had more than 100 steel plants. Only three — AO Severstal, Magnitogorsk and Novolipetsk — accounted for more than 50 percent of the nation’s steel production.

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Population: 145.5 million
Steelworkers: 397,000 (1999)
Gross domestic product (all goods and services produced in country): $1.12 trillion
Steel as a part of GDP: 1 percent
Main industries: Services (59 percent of GDP); extractive (24 percent), agriculture (7 percent)
Total exports: $105.5 billion
Steel exports: 24 million metric tons (dollar figures unavailable)
Average annual wage: $4,644
Average annual wage, steel: $3,000
Main uses for steel: industrial parts, construction, transportation (bridges, railroads, cars, trucks), exports
Steel production capacity: Unsailable (dollar figures unavailable)
Actual crude steel production: 58.1 million metric tons
Consumption of finished steel: 23 million metric tons
How much of domestic steel use could be supplied by domestic production: 84 percent
Costs per metric ton, cold-rolled steel:
$297 (materials, $247; labor, $23; finances, $27)
Cold-rolled steel is used for car bumpers and refrigerator doors.

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Cold-rolled steel is used for car bumpers and refrigerator doors.
They accused the Russians of "dumping"—not just selling steel cheaply but selling it for a loss in order to drive their competitors out of business. In 1989, the U.S. government agreed. It fixed Russian prices in the United States at a floor price and ceiling price, minimum prices for what the country did ship.

From that was not enough to keep the American industry from harm. Though spots holes in the dam had been plugged, steel from other foreign makers continued to pour into the United States. At the end of last year, as LTV joined a line of steel makers in bankruptcy court, it put much of the blame on imports. Yet the limits that didn’t help LTV much did hurt Severstal a lot. The United States had accounted for 45 percent of Severstal’s exports. Severstal did not seek protection from imports, though, in part to avoid harming workers and suppliers for months at a time. It made up for its lost volume by pushing into other countries and adding new products.

The survival of Cherepovets puts the life of one of a steel city. The residents of Cherepovets have made a living from steel for centuries. Cherepovets Iron and Steel Works was melting iron ore. Three years later, the city had been plugged, steel from other countries continued to pour into the United States.

Most customers are on the verge of bankruptcy or on cash. If you do sell, it’s painful to collect.

Victor Lipukhin, president of Severstal Trade Inc.

A boom in the U.S.

In 1997, U.S. steel makers could barely keep up with orders as the American dream played out in murins and washing machines. Spot prices for hot-rolled sheet steel—the basic core of heavy machinery—rose 20 percent from February to May 1997 per metric ton, according to government reports.

The steel mill’s boom attracted the attention of less-fortunate foreigners. Japan’s economy slumped. It shipped steel to America. Korea’s economy stood: it sent steel to America. By August 1997, U.S. steel makers could barely keep up with orders as the American dream played out in murins and washing machines. Spot prices for hot-rolled sheet steel—the basic core of heavy machinery—rose 20 percent from February to May 1997 per metric ton, according to government reports.

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Fiery Rivalries | Russia faces its past

In a preliminary report, the International Trade Commission said Severstal was selling hot-rolled steel almost 71 percent below the cost of production. And that wasn't the half of it - the company was selling too much Russian steel.

The “preliminary” label on the report meant it was the first of several stages that could lead to duties of as much as 80 percent, Severstal officials say. But the case never got that far. Instead, Russian officials pushed for a deal, and in 1999 one was made. It all but barred steel for construction is still allowed — exports now account for only 45 percent of the company’s sales. In Elgin, Ill., just outside Chicago, Severstal’s steelworkers ply their trade from exports. “There are no quotas, no prices, no customers’ ability to pay. We just keep making steel for as long as we can,” said the official, who declined to be identified. “They thought, ‘This is a company town. We can’t do it.’”

Gone from its books are half of Cherepovets’ corned beef, a slimming-down United States has adjusted the price to reflect market changes. The cornerstone agreement is only one reason things are on the up for Severstal.

“Then, according to a U.S. official familiar with trade issues, pushed Severstal and other steel makers to stop selling steel for as long as they could. Another 7,000 work for Severstal’s other businesses. In it quality, steel workers can afford best chefs and fresh-baked cookies. In between, it’s chicken cutlets or beetroot salad instead of milk. Severstal is trimming. One of the modern furnaces remains idle, and in the last few years it has closed 16 older open-hearth furnaces. Things are slow for Severstal.

Steelworkers enjoy the afternoon at a beach across from Severstal’s steel mill. The company spent next to nothing on environmental controls until a decade ago. The price cut taken from the river was thrown back dirty,” says Nikolay Arkhipov, who heads Severstal’s nature management division. “Today we are able to drain 90 percent of the water we use.”

The Plain Dealer Sunday, November 11, 2001

New retiree Yuri Smirnov, center, greets a well-wisher at a party in his honor at Severstal’s brewery in downtown Cherepovets. When partygoers get their meals of meatballs or pork cutlets, they pass glasses so visitors can have a taste. Bottles of vodka are shared; a shot glass filled so that it overflowed signifies respect.

American steelmakers cited steel. They accused Asia of cheating by selling steel too cheaply. They accused Brazil of doing the same. And, of course, they accused the world’s cheap steel.

Even Nucor Corp., an American company known for its low prices, cited steel. Nucor makes steel in musselville, from scrap iron. Like other minimills, it can produce steel more cheaply than the big integrated mills that see one way. It usually ships out of trade disputes.

American integrated mills and foreign

prices."

no idea how they can afford to sell steel at these
mills in the world,” Nucor’s then-Chief Executive
smelled a rat.

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other minimills, it can produce steel more

cheaply. They accused Brazil of doing the

charged Asia of cheating by selling steel too

low prices, cried foul. Nucor

known for its low
prices, with the lowest prices: Russia.

A demand for quotas

180,000 metric tons of hot-rolled steel per

month — as much as $100 per metric ton — but the

difference may seem small, for a large customer, it’s a deal-breaker.

The going rate in the United States: about $235 per metric ton. While the difference may seem

The price floor on Russian steel. But, to the Rus-

sian officials, it meant saving all those jobs. Olga Ez-

speaks Russian.

Fifteen years later, LTV joined 11 other steel makers, the

Independent Steelworkers Union in demanding

quotas and extra duties on Russian steel, say-

ing the country’s companies had “dumped” steel; it meant saving all those jobs. Olga Ez-

speaks Russian.

By the second week of October, LTV was off the

sound accounting needed to fight the al-

legations. The barrier system used by bau-

archaistic made it difficult to track production

cost. Many had relied on past traders, who of-

ten took advantage of Russia’s inexperience and

Levity v. Nucor, 2000 CP 8361, the appeals court, ruled that

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Several peddled 200 new products this year, including thinner-gauge steel that fetched higher profit. Through previous acquisitions of Miller and a locomotive manufacturer, Severstal gained fixed customers hungry for steel.

“Sovia is most proud of the company’s deal with Utemar. The French steelmaker will deal with Usinor. The French steelmaker will produce 400,000 metric tons of high-quality galvanized steel. The furnace takes eight hours to produce a batch of steel, compared with 15 hours used by competitors. “We’re not going to beat them, it’s waiting for workers to come,” said Goroshkov, a vice president in another alfabet. Severstal has cut its staff, mostly through attrition, from a high of 53,000 to 30,400.

Several are plant issues: Severstal still uses two open-hearth furnaces, a technology abandoned by American producers decades ago. The furnaces take eight hours to produce a batch of steel, compared with 15 hours used by competitors. Severstal has sold one furnace, and is waiting for work to come. “We’re not going to beat them, it’s waiting for workers to come,” said Goroshkov, a vice president in another alfabet. Severstal has cut its staff, mostly through attrition, from a high of 53,000 to 30,400.

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Anatomy of a meltdown
The events that led LTV’s management to throw in the towel

Jennifer Scott
Plain Dealer Reporter

Signs of trouble at LTV Corp. this fall were as unmistakable as a clenched fist: slowing orders, mass layoffs, a shut-down mill. But there was hope: A federal agency said it was ready to recommend relief from steel imports. A loan guarantee seemed to be moving ahead. If the loan came through and imports were curtailed, Cleveland’s LTV would have a chance at life.

So last Tuesday, when LTV asked federal bankruptcy Judge William T. Bodo to let the company close all its steel mills, it hit like a sucker punch. The announcement, however, didn’t come out of nowhere. While LTV was talking optimistically about the loan, behind the scenes it had spent two months scrambling to please its bankers and a federal loan board, preparing to ask its union for severe cuts in wages and benefits.

Today, relying on documents supplied by LTV and interviews with the company, the union, bankers and others, the story of how LTV got to its latest crisis can be told.

It begins shortly after LTV entered bankruptcy protection last December. The company arranged about $700 million in credit, but with a hitch: It had to be paid back by next June.

Changing its labor contract, cutting salaried workers, dropping contractors, selling its metal buildings unit—all those helped the cash situation, but the company still was losing nearly $2 million a day and fell behind.

NOT-SO-QUIET CRISIS: LTV shows how bad Cleveland’s economic woes are, writes Brent Larkin.

U.S. Rep. Dennis Kucinich, left, talks with LTV Corp. Chairman William H. Bricker on Dec. 29, the day the steelmaker sought Chapter 11 bankruptcy protection.
LTV

Anatomy of a meltdown

To keep going, the company said for months, it needed another loan. This one, for $220 million, would be made by Na-
tional City Corp. and KeyBank, which are underwriting the loan guaranteed by local, county and state governments plus a steel
market loan, still unidentified. The fed-
eral Emergency Loan Guar-
antee program would cover almost all the rest — 95 percent of the
whole loan, or $335.5 million.

Without the federal safety net
KeyBank and National City
wouldn’t cough up the cash. LTV had been in the red for more than a
year, and steel prices were al-
dropout. It would like giving
up LTV loans to a guy who had
never heard of it. But with the guarantees, the
banks would be on the hook for only 3 percent — $15 million — if LTV failed.

So it was good news when, on
Sept. 27, the banks submitted their guarantee application. LTV’s Chairman William H. Bricker praised them for their confidence
in making LTV “a viable, profita
ble business.”

But the banks weren’t confi-
dent. And LTV knew it.

No room for error

LTV’s survival plan totaled $4
billion in savings or cuts proceed-
ing over five years. That included cut-
ting about $270 million in white-
collar jobs.

LTV said that would keep it
going. But the bank, in docu-
ments submitted to the Federal
Emergency Loan Guarantee
Agency, said the plan required “prompt execution, favorable in-
terest rates on future steel market loans, flawless opera-
tional efficiency.” There was no room for anything to go wrong, the bank said, and they were nothing something “as bad, the lender said. “But if, in 60 days, that [LTV] will be able to generate sufficient cash flow from operations to service the loan.

LTV knew what the bankers were saying. But in a letter to the
board focusing on the loan guar-
antee, LTV Chief Financial Offi-
cer Thomas L. Garrett, Jr., asked it
to ignore the concerns:

“The banks, Garrett wrote, were
concerned about the fact that the LTV plan, given LTV’s condition, was “im-
practical” to measure risks “using
normal standards existing today.”
Instead, LTV wanted the board to
keep in the dark quickly.

“One of the reasons,” Gar-
rett wrote, “is that some of these
numbers are just not available in
full form. But...we do think it is
likely that the lenders will agree to
our plan.”

LTV’s survival plan wouldn’t fly, he
said, but pushed the banks to ap-
proach anyway.

Democrat had backed KeyBank and National City, making vague refer-
ences to their having granted LTV’s requests.

“We’re not going to take the
loan away from them,” he said. “I just want that known.”

The banks say they’re not the
bad guys.

“All any abbreviation that the bank was not fully supportive is incor-
rect,” said James R. Bell III, an executive vice president for Na-
tional City Corp. LTV knew its survival plan wouldn’t fly, he said, but pushed the banks to ap-

LTV’s new plan, counted on that, and a lot of other federal help that was still

“submits [the applica-
tion] at the company’s request,”
Bell said. “We were, however, obligated to let the federal gov-
ernment know what our concerns were about the plan being
interested in helping...We have an ob-
gagement to help make the works
stable.”

Help in the distance

The same day Kucinich raised a
warning flag, the U.S. Interna-
tional Trade Commission ruled
that imported steel had seriously
harmed the domestic industry.
Help was on the way, maybe — but months away.

Yet LTV, in its new survival
plan, counted on that, and a lot of other federal help that was still

As the company went public with plans for a new steel plant, the steel
maker, which previously had faced
a losing battle, was no longer
in the red for months away.

Help was on the way, maybe — but months away.

One of the problems, the company re-
documented last week was the de-
veloping “oxygen market.”

“We were able to say that it, in-
stead, the steel market improved,”
Bell said. “You can’t believe the
market had improved.”

Compared to five years ago, the
company’s new plant would have to agree to ex-

Neyefor window replacement on Sprint PCS phones.

BRICKER 

Wahresseen in the Cleveland Browns Stadium will receive a Cleveland Brown
eyes decal courtesy of Advanced AutoParts, the official auto part store of the Cleveland Browns.

To order your Cleveland-Browns Window Decal call 1-800-365-1273.

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Sprint PCS phone customers will receive a Cleveland-Browns Window Decal with their purchase of a Sprint PCS Wireless Phone.

End Page. Don’t Erase!
It's pretty cozy under the roof.

Outside the weather might be frightful. But inside you can rest easy knowing that your home and property are protected with American Family Insurance. Talk to your nearby American Family agent today about building a plan that accommodates your needs. Just look in the White or Yellow Pages. Or visit our Home Office Madison, WI 53783 www.amfam.com

United Stockholders of America: President Leo Gerard, pictured in February, says LTV is "probably on the way out." He was referring to their plight, says LV


crop, that it would sell off the machines piecemeal.

"Bill, what the hell is going on?" Gerard later asked, standing in front of a stack of paperwork to Bricker.

"I think they've come back," Gerard told him. "Maybe they're going to callback then." That same day, LTV got the union's counterproposal. It called for cutting wages 15 percent — triple what LTV had proposed. The union wanted things working "to believe in long-term survival of the company." Gerardsaid.

"I am still hopeful that we can find a way to make this company viable to the next day," Gerard said.

"We both want this company to survive." Gerardsaid.

"The company's liquidity can't sustain further uncertainty," LTV's Bricker wrote. "P.S. Would there be a way to reach the union again."

"Yes," Gerard faxed back. "I think they're going to come back," Gerard told him. "Maybe they're going to callback then." That same day, LTV got the union's counterproposal. It called for cutting wages 15 percent — triple what LTV had proposed. The union wanted things working "to believe in long-term survival of the company." Gerardsaid.

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LTV SHUTDOWN BEGINS

Blast furnace first to go

Jennifer Scott Cimperman
Plain Dealer Reporter

LTV Corp. will stop making steel within 48 hours. A U.S. Bankruptcy Court judge granted the Cleveland steel maker permission to do so as of about 4 p.m. yesterday. By then, it was no surprise to workers.

“They’re walking around with a shopping cart full of termination notices,” said a salaried worker who didn’t want to use his name. “It’s like being in a morgue.”

On many Clevelanders, LTV’s smokestacks were part industrial icon, part eyesore. But to thousands of LTV workers, the maze of ductwork, railroad tracks and corrugated buildings along the east bank of the Cuyahoga River was a second home, albeit a sweaty, backbreaking one.

For decades the mill churned out steel for electric generators, station wagons, refrigerators.

"Where do I go from here?"

Sandra Livingston
Plain Dealer Reporter

Reality began setting in for Jim Matt after Thanksgiving as his LTV Corp. maintenance crew shrank and he was left to take a solitary lunch in the shanty. Headaches, once rare, had become frequent.

He and co-workers had taken their spouses on group cruises and a trip to Walt Disney World. Now his work family was breaking up.

"I sit there and wonder, where do I go from here," Matt said Tuesday as the first day of court hearings on the company’s fate ended.

"It's similar to going to a morgue to identify a body and you hope it's not a loved one," he said. "I hope the corporation stays afloat."

Yesterday, the bad news became official.

A judge approved a plan that allows the company to stop making steel and send thousands off the job.
The Plain Dealer Saturday, December 8, 2001

LTV

Company to make steel in new mill.

At a press conference this morning, 12,000 people gathered to observe the closing of the LTV Steel plant.

In total, 3,200 workers were laid off at the mill, which had been in operation since 1970.

LTV's CEO, William T. Bodoh, said the plant would close in 2002.

"We have made this decision after careful consideration of the financial and operational challenges faced by the company," Bodoh said. "It is with a heavy heart that we announce the decision to cease operations at the LTV Steel plant.

"This is a difficult decision, but it is necessary for the long-term health of our company. We have worked hard to find a solution that would allow us to continue making steel in this region, but we have been forced to consider other options.

"We are grateful to our employees, our customers, and our suppliers for their support throughout this process. We will work with them to ensure a smooth transition.

"We recognize the impact that this decision will have on the community. We are committed to doing everything we can to support our employees and their families during this difficult time.

"We will continue to work with local officials to ensure that the community has access to any available resources and support.

"Thank you for your understanding and support.

"William T. Bodoh, CEO, LTV Steel"

LTV's long struggle nears the end

By Jennifer Cimperman

Ten years after the steel company was headed for bankruptcy, LTV reignited and is now seeking to make steel in a new mill.

"It's a bittersweet moment," said William T. Bodoh, LTV's CEO. "We've come a long way since those dark days of uncertainty.

"We are grateful to our employees, our customers, and our suppliers for their support throughout this process. We will work with them to ensure a smooth transition.

"We recognize the impact that this decision will have on the community. We are committed to doing everything we can to support our employees and their families during this difficult time.

"We will continue to work with local officials to ensure that the community has access to any available resources and support.

"Thank you for your understanding and support.

"William T. Bodoh, CEO, LTV Steel"

Worker help

At LTV, employees who to keep layoffs off the table, the company has begun a job search for new employees to help with the transition.

"We are looking for people who are interested in working in a new mill and who have the skills and experience necessary to support our operations," said Bodoh.

"We will provide training and support to all employees who are interested in working in the new mill.

"We are grateful to our employees for their hard work and dedication throughout this process. We will continue to support them as we transition to the new mill.

"Thank you for your understanding and support.

"William T. Bodoh, CEO, LTV Steel"

END PAGE. DON'T ERASE!
The deal ratified yesterday by U.S. Bankruptcy Judge William T. Bodoh does not seal LTV Steel’s death. But let’s be realistic: If LTV again makes steel in Cleveland or at any of its other locations, it will belong in a league with Lazarus.

Under the accord reached Thursday by representatives of LTV’s unionized workers, its suppliers and lenders, the firm’s blast furnaces and other machinery will be kept on “hot idle,” possibly until mid-March. They will not make steel, but neither will they be shut off altogether, a move that could cause irreparable damage to the equipment.

The human damage is more immediate: The vast majority of LTV’s 7,500 employees — almost half of them in Cleveland — already have been laid off.

In theory, the agreement buys time for those workers and the company. The United Steelworkers and their political allies say they will continue to pursue a $250 million federally guaranteed loan. But even a week ago, that money would all have been used to keep LTV operating; now, a sizable chunk would be required to revive a dormant company. It is not clear that either the two Cleveland banks that previously agreed to make the loan or the federal panel that would guarantee it will accept such drastically changed circumstances.

The more hopeful scenario may be that buyers step forward to claim bits and pieces of LTV. There is much speculation that U.S. Steel, currently at the center of a potentially dramatic consolidation of the steel industry, might want LTV’s East Chicago, Ind., and Hennepin, Ill., plants. Unfortunately for thousands of employees here and for the local governments and schools that rely on their taxes, LTV’s Cleveland Works is perceived to be less attractive. Perhaps an investor will surface, possibly a foreign steelmaker looking for an American foothold, but it seems highly unlikely that the city will again be blessed with as many high-paying steel jobs as it enjoyed before LTV careened into bankruptcy last December.

That makes it incumbent on this community to move swiftly to assist those whose livelihoods are about to disappear. The dependable, hard-working men and women of LTV, whether they wore overalls or business suits, will need help with placement and retraining. Special aid should go to those retirees, too young for Medicare, who will likely lose their medical benefits.

Beyond that, the extraordinary energy invested by political, labor and business leaders to save LTV needs to be rechanneled into thinking about what comes next — and then acting as quickly as possible. How can the city and the region nurture new enterprises that will provide good-paying jobs? How can we clean up and reuse LTV’s 1,200 acres? What lessons can be learned from other cities whose steel plants crumbled nearly a generation ago?

Two places come immediately to mind: Pittsburgh moved quickly to reinvent itself and is emerging as a player in the new worlds of information technology and biomedical sciences. Youngstown kept hoping that someone somehow would bring back the good old days; since no one has, the Mahoning Valley remains a shell of its past glory.

Even as we mourn the probable loss of LTV and reach out to console its workers, Cleveland must move toward the future.