
US Steel blames Lakeside Steel for attempting to hijack case

Tuesday, 01 Sep, 2009

US Steel said in court documents that Lakeside Steel is attempting to hijack Federal Court hearings into the shutdown of the former Stelco. The firm's request for intervener status in the Canadian government's lawsuit against US Steel is motivated by private economic interests and should not be permitted.

Lakeside wants to buy the former Stelco now called US Steel Canada and is asking the court to order a sale.

The documents state that "Through this proceeding Lakeside is attempting to obtain an economic benefit for itself by purchasing the assets of US Steel Canada at a forced liquidation. The proposed interveners seek to hijack the present forum."

The documents are US Steel's first public response to Lakeside's attempt to gain a foothold in the Federal Court hearings. The steelmaker is also opposing an intervener request from the United Steelworkers union, which has thrown its support behind the Lakeside bid. Both requests will be heard by the Federal Court of Canada.

US Steel said that any matters related to the union or the commercial interests of Lakeside are outside the jurisdiction of the Federal Court and should be dealt with in a separate forum. The court will be navigating unfamiliar territory with the US Steel case. The government of Canada has never taken a foreign investor to court for failing to fulfill its promises under the act.

US Steel shut down its Canadian operations in March following a collapse in steel demand due to the economic downturn. The firm recently moved to restart production at its Hamilton plant, taking steps yesterday to revive a dormant blast furnace. It plans to produce steel slabs in Hamilton though its finishing operations and bar mill will remain idle. It also has no plans to restart its Nanticoke steel plant, where 1,000 workers are currently locked out after labor talks hit an impasse.

(Sourced from www.thespec.com)

For more news visit at www.steelguru.com