
Production pruning - US Steel Canada may close Nanticoke plant - Report

Thursday, 17 Sep, 2009

It is reported that an affidavit filed with the Federal Court of Canada said US Steel Canada recently raised the possibility of permanently closing its plant in Nanticoke.

In the affidavit, Mr Bill Ferguson president of Local 8782 of the United Steelworkers said that US Steel raised the subject in negotiations hours before it locked the plant gates in Nanticoke August 3rd 2009. He added that the company was seeking a substantial reduction in obligations to employees in the event of a permanent shut down of the Lake Erie operations.

Mr Ferguson cited this bargaining position as evidence that US Steel has no intention of fulfilling employment and production commitments it made to Industry Canada in 2007 as a condition of acquiring the former assets of Stelco Inc. He added that "US Steel's proposed reductions in obligations to employees in the event of a permanent plan shutdown are at direct odds with any intention on its part to remain in the Canadian steel industry in the long term."

US Steel has lost the support and confidence of its employees and their bargaining agents. US Steel has not demonstrated a long term commitment to the Canadian steel industry.

In the filings, the Steelworkers ask the federal court to impose the maximum fine allowable under the Investment Canada Act USD 10,000 a day. The locals also ask the court to force the sale of the plants at the earliest possible date. As well as seeking US Steel's eviction from Canada, Locals 8782 and 1005 have asked the court to award damages in the amount of USD 44 million for lost benefits, wages and dues to the affected bargaining units and their members. Nearly USD 17 million of this is for the local in Hamilton, which has recently returned to production, while USD 27 million is for Local 8782 in Nanticoke.

(Sourced from www.bowesnet.com)

For more news visit at www.steelguru.com