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## Production pruning - Severstal NA to idle Warren steel mill

*Sunday, 15 Nov, 2009*

Tribune Chronicle reported that Severstal North America Inc stuck to its decision to keep its Severstal Warren steel mill idled until orders improve despite a letter from the local congressman urging the mill's reopening.

In a letter to Mr Sergei Kuznetsov CEO of Severstal Warren, US Representative Mr Tim Ryan, expressed his concerns about the Warren mill and offered to help the company restart the 1,200 worker operation, which has been idled since the spring.

Mr Ryan noted that the mill's financial importance to the Warren area, providing taxes of some USD 1 million annually to the Warren City Schools, along with USD 600,000 in payroll and corporate taxes to the city. He added that the mill also represents more than USD 2 million a year in water and sewer fees to the city's utility system. In addition, each of the mill's jobs creates 5.3 other jobs in the local supply network.

Acknowledging various factors are affecting Severstal's decisions to run or idle its plants, Mr Ryan noted that the mill's reputation for quality products. He said that "I hope you will look at your overall operation to determine if your Warren facility would not be able to better serve the needs of your customers and protect your overall market share."

Ms Bette Kovach spokeswoman of Severstal said that the Warren mill is idled because of the unprecedented drop in volume experienced nearly a year ago throughout all of the domestic and global steel industry.

She noted that the company also idled most of its Wheeling plant at about the same time. She added that "Since then, there has been some pickup in demand and pricing from the very low levels reached early this year. However, we are unsure of the sustainability of these increases and will keep these facilities idle until there is a sustainable return of the market for their products."

Mr Ed Machingo president of the nearly 1,000 member United Steelworkers Local 1375 at the mill noted that about 100 of his members marked their one year layoff anniversary the last week of October. The largest group of 400 to 500 was idled the week after Christmas, while another couple hundred was furloughed April 10th 2009.

Mr Machingo said that the first group was workers who took voluntary layoffs with a set return to work date. The company later rescinded the date as the economy worsened, leaving the workers feeling misled.

He added that "Something has to be done. I don't think it's fair how they justify which plants are down and which are working. The members are getting restless."

(Sourced from [www.tribtoday.com](http://www.tribtoday.com))

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