



***Dundalk Eagle (Md.)***

## **PROSPECTIVE OWNER: PLANT A 'GEM'**

*Esmark says improvements are on the way*

by Joseph M. Giordano

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It's going to be the jewel in the crown, if the deal to acquire Mittal Steel's Sparrows Point plant goes through, according to the head of the company that figures to take over the former Bethlehem Steel facility.

"It's a gem," said Craig Bouchard, whose company, Esmark Inc., is poised to take over the 110-year-old-steel mill at the end of the month. "Sparrows Point is going to be our flagship."

Esmark, a Chicago-based company founded in 2003 by Bouchard and his brother James, is in the final stages of purchasing Sparrows Point for \$1.35 billion after the Netherlands-based Mittal Steel Co. was forced to sell the plant by the U.S. Department of Justice, which wanted to prevent a tin monopoly in America.

"If everything goes through," Esmark CEO Bouchard said last week, "Sparrows Point will work together with our Wheeling-Pitt plant to increase slab production."

Esmark intends to revitalize both beleaguered plants by having Sparrows Point produce slab steel and Wheeling-Pitt finish the job.

"Some people were confused about the terminology used to describe what we have in mind," Bouchard said. "It was thought that the 'finishing' meant that we were [phasing out] the cold-roll and tin mills. That is not true. The cold-roll mill is the best in the world. Neither are going anywhere."

If it becomes the new owners, Esmark intends to increase the flat-rolled steel process, expand production of slabs, utilize the Sparrows Point port facilities and invest in two new projects, a pellet plant and a power plant.

Bouchard could not comment in more detail about the plans.

The process of buying Sparrows Point began when the newly merged Arcelor/Mittal Steel announced that it was selling the facility to Esmark in August.

Since then, it has been a long, slow process, according to Bouchard.

And that slow process is what concerned John Cirri, president of United Steel Workers of America Local 9477, who was not enthusiastic about the impending sale.

“Our serious concern is that [Esmark’s] future intention is to take Sparrows Point from an integrated mill and turn it into a slab-only producer,” Cirri said,

Bouchard refuted that concern.

“We have a world-class cold-rolling mill,” Bouchard said. “We’re also concentrating on that. But Sparrows Point has the capability to make slabs, which is a no-brainer. The whole plant is a jewel in North American steelmaking.”

Cirri met with Bouchard last Thursday to address local union desires, like integrating the plant’s operation rather than concentrating on one specific area such as the slab production.

“It was a good start,” Cirri said about the meeting. “I still need time to digest it all. The bottom line is that I want to see an integrated mill. Fair play across the board.”

One 51-year-old steelworker at the hot mill, who has worked at the Point for two years and wished to remain anonymous, was skeptical of the impending sale.

“We’ve been a plaything for [Mittal],” he said. “ISG bought us and dumped us. I’m worried about where my check’s coming from. I think [Esmark] will have us for a while and dump us. Stability really concerns me.”

Bouchard acknowledged that there has been some tension at Sparrows Point because some of its roughly 2,500 workers feel they have been kept out of the loop when it came to the negotiations.

“Over the course of the year,” Bouchard said, “employees have been in a state of uncertainty, not knowing if they are going to have jobs or dinner on the table the next day. But we intend to create jobs here. We just have to wait until the deal is done.”

Another employee of the hot mill was happy to hear that there will be more jobs, but he was concerned about retiree benefits.

“I don’t want to see what happened to the [Bethlehem Steel] retirees happen to us,” he said. “Who’s going to be there for us?”

Though the negotiations were still in progress between Mittal and the steelworkers union, Bouchard said that once Esmark takes over, anyone working at the plant will have their retirement benefits covered.

“If they’re working here one day if we take over,” he said, “then they are covered by us. That’s the way it works.”

Bouchard promised to continue his open-door policy once his company acquires the plant.

“We’re always open to our employees,” Bouchard said. “Anyone in the company can come in here and discuss a problem. We’re a family business and hope to bring that to Sparrows Point.”