

PITTSBURGH TRIBUNE-REVIEW

Pittsburgh Tribune-Review **Steelworkers to file grievance**

By C.M. Mortimer

Tuesday, August 15, 2006

United Steelworkers said Monday they will file a grievance to block Wheeling-Pittsburgh Corp.'s plans to merge with a Brazilian steelmaker, contending the move breaches their contract.

The union's agreement with Wheeling-Pittsburgh provides the union with the right to organize a transaction in the event the company decides to sell or is presented with an offer to sell, according to union officials.

Until the union is given the same period of time given to other parties, the company cannot enter into contracts regarding a potential sale, according to Dave McCall, director of District 1 of the United Steelworkers union.

McCall, who doubles as the union's chief negotiator at Wheeling-Pittsburgh, gave notice of the union's intent in a letter yesterday to Wheeling-Pittsburgh CEO James G. Bradley. Company officials could not be reached for comment.

Wheeling-Pittsburgh earlier this month announced it had reached a tentative agreement to merge with Brazilian steelmaker Companhia Siderurgica Nacional.

The move came just weeks after Chicago-based Esmark Inc., launched a \$1.1 billion hostile takeover bid for Wheeling-Pittsburgh Corp., parent of troubled Wheeling-Pittsburgh Steel.

The union previously voiced its support for the Esmark proposal.

Esmark President Craig T. Bouchard said the Brazilian deal appears to deliberately bypass the union.

"We crafted a proposal that would be acceptable to the people who saved this company twice, that's the bottom line," Bouchard said.

Wheeling-Pittsburgh Corp. previously said it hoped to have shareholders vote on the plan at the company's annual meeting on Nov. 17. Bouchard said the union's decision to file a grievance would probably upset that timetable.

Under terms of the proposed merger, the Brazilian company would take 49.5 percent ownership in the new company, while Wheeling-Pittsburgh shareholders would control the other 50.5 percent.

McCall estimated the union owns about 32 percent of Wheeling-Pittsburgh as part of an employee retirement plan negotiated under the contract when the steelmaker emerged from bankruptcy three years ago.

C.M. Mortimer can be reached at cmortimer@tribweb.com or (724) 836-5252.