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Steelmaker urges USW to reevaluate Brazilian merger

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Management of Wheeling-Pittsburgh Corp. said Monday it was "extremely disappointed" with the United Steelworkers union's opposition to its planned merger with a Brazilian steelmaker.

Wheeling-Pittsburgh strongly encouraged the union to "reevaluate" the proposal that would merge Wheeling-Pittsburgh Steel Corp. and Companhia Siderurgica Nacional.

The company's position was detailed in a letter to the steelworkers union Monday morning.

Also, Wheeling-Pittsburgh says it has arranged an early meeting with representatives of the Brazilian steelmaker, David McCall, director of District 1 of the United Steelworkers union, and union presidents to facilitate discussion of the proposal and answer any questions.

"While our letter clearly identifies areas in which we disagree with the United Steelworkers regarding its interpretation of our labor agreement, as well as the benefits of the nonbinding proposal from CSN, Wheeling-Pittsburgh Steel remains committed to full and open communications between the company and the USW," said Wheeling-Pittsburgh CEO James G. Bradley.

Friday, an analyst report said top managers of CSN said the USW opposition to the merger "may pose a problem" for the deal.

Last Monday the steelworkers union said it would file a grievance to block Wheeling-Pittsburgh Corp.'s plans to merge with the Brazilian steelmaker, contending the move breaches the union's contract.

Wheeling-Pittsburgh, which employs about 3,100 workers at plants in West Virginia, Ohio and Allenport in Pennsylvania, has a tentative agreement to merge with Companhia Siderurgica Nacional.

Last month, Esmark Inc., a Chicago-based group of steel service companies, announced a \$1.1 billion bid for Wheeling-Pittsburgh Steel Corp., the company's primary operating subsidiary.

The union previously indicated its support for the Esmark proposal.