

Union leaders meet to discuss proposed Wheeling Pitt merger, 5/08

By Keri Brown

Lead: We told you on Wednesday about a proposed merger announcement between, Esmark, the parent company of Wheeling Pittsburgh Steel and India-based Essar. Union leaders with the United Steelworkers Union met behind closed doors on at the local union hall in Martins Ferry Ohio on Thursday to discuss the plans. Keri Brown reports.

United Steelworkers of America District Director~David McCall met Thursday with union leaders from the Wheeling-Pittsburgh Steel plants in West Virginia and Ohio.

Many at the meeting, like John Waugh, say they are upset over the merger because Esmark has been keeping them in the dark.

"I thought that everything was going to work out and it's not worked out to my expectations. I mean instead of sitting down at the table and negotiating with our negotiators they put everything out on the table in the press," Waugh said.

The deal with Essar needs the union's support.

Rocky Brown, president of the union local in Yorkville, Ohio, says union leaders are not ready to endorse the deal.

"Our position is that it is and always will be and our responsibility to serve the best interest of our members and retirees and that's what we are going to do here," Brown said. "Maybe Mr. Bouchard should read our contract and have an understanding that he can't do things without our agreement. With our right to bid successorship language he can come out and say whatever he wants but it won't happen."

The union says it doesn't know enough about Essar and is talking with other steel makers about possible bids. India-based Essar employs about 38,000 people in several countries including Vietnam and Canada.

Essar bought a plant in Ontario, Canada, last year and is in the process of building a steel plant in Minnesota. Essar's Madhu Vuppuluri ~says Wheeling Pitt will be a valuable asset to its North American Steel operations.

"We are implementing initially a pellet plant but at some stage we could take it up to slabs, which is what we intend to do, and Wheeling Pittsburgh as well as Algoma need iron ore pellets so we could integrate our Minnesota steel operations to both Algoma and Wheeling Pittsburgh to make sure that there is security of raw materials and steel operations," Vuppuluri said.

Essar also specializes in other products like oil and electricity. Vuppuluri says the company has a successful track record at its other plants.

"The objective is not to reduce or increase jobs. Our objective is to make a unit and operations more viable and with viability and growth which is what we have done in the case of Algoma," he said. The company was operating at 2.5 million tons annualized capacity, today it is operating at three point, two to 3 point million annual capacity, which is a significant increase in a span of 8 to 10 months. With such growth only brings the need for man power to be there if not increased."

Vuppuluri says Essar plans to meet with the union to discuss the merger within the coming weeks. Besides union support, the deal also needs approval from the Justice Department."