

Northwestern
SINCE 1879
Sterling

July, 1986

The Lightning Bolt

NORTHWESTERN STEEL AND WIRE COMPANY · STERLING, ILLINOIS 61081

New 3-Year Pact

Steelworkers And NSW Reach Agreement

Members of United Steelworkers of America, Local 63 have ratified a new three-year agreement with Northwestern Steel and Wire Company.

The vote held July 31, 1986 at the Union Hall was 1,096 to 581 in favor of the new no-cut agreement that will run through July 31, 1989.

Members of United Steelworkers of America, Local 3720 had previously ratified a new contract with the Company on July 13, 1986.

The new agreement with Local 63 provides for no reduction in wages or incentives, no reduction in vacations, SUB, or EEP. One additional holiday, Memorial Day was agreed to. The Sterling Wire and Steel Divisions were brought back together under one profit sharing plan with guaranteed quarterly advances of profit sharing monies in the first three quarters of both the second and third year of the contract regardless of the profitability of the Company.

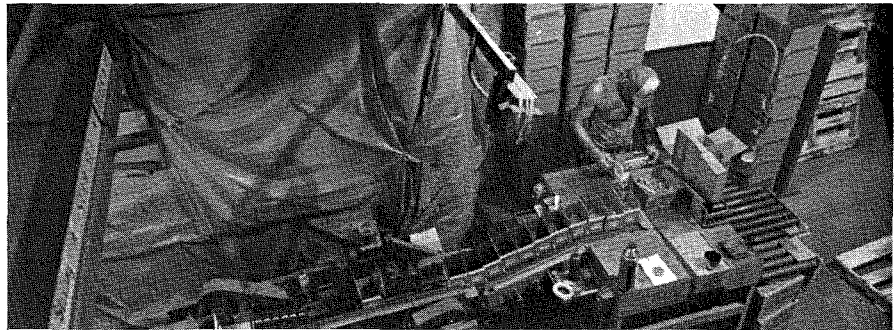
The only change in the Pension Agreement allows for calculations based on the best five consecutive years of the last 15 years instead of the last 10. Thirty-three additional 70/80 pensions were also agreed to. The Insurance Agreement was also unchanged; however, a joint Company-Union Committee will be exploring areas where health care costs can be reduced without cutting benefits. Twenty percent of any savings from these actions will be shared with employees.

The new agreement also provides for increasing the skills and the pay of our maintenance employees. Under the agreed-to voluntary Multi-Craft Program present maintenance employees will be provided an opportunity for training in different skills and once they obtain those skills they will pick up additional job classes.

More efficient maintenance, less

downtime, and greater productivity will result as Multi-Craft maintenance employees make use of their new skills. Overall the new agreement will allow

management and all employees to continue to work together to make quality, competitive steel products and provide well-paying, secure jobs.



Work continues uninterrupted at Northwestern Steel and Wire Company as United Steelworkers of America Local 63 and Local 3720 reached agreement with the Company and signed a three-year, no-cut contract.

Local No. 3720 Ratifies New Pact

Members of United Steelworkers of America, Local No. 3720 at Plant 4 in Rock Falls ratified a new contract on Sunday, July 13, 1986. The new agreement provides for no decreases in the wage scale, keeps Profit Sharing at the 30% level, adds one holiday, and allows for additional 70/80 pensions.

Several machine incentive rates were improved and there will be a review of all classifications and incentive rates. A large number of production and plant improvements were suggested by the Union Negotiating Committee during the negotiations. Many of these suggested improvements are now being completed throughout the plant with the remainder being studied to determine cost effectiveness and feasibility. These proposals when completed should result in lower product costs, increased production, and a more pleasant working environment at Plant 4.

One of the more innovative features of the new agreement concerns the maintenance employees. These employees will be given the opportunity to take additional training and become qualified in other trades. Once qualified in a new trade they will receive increases in their job classification. A Millwright, for example, could increase earnings by becoming qualified in welding and pipefitting. These Multi-Crafted Maintenance Employees will be able to utilize their abilities in a more efficient manner as they keep the plant operating. This will again result in increased production, lower product cost and more job security for all.

NSW's First Hot Stock Account

Bliss & Laughlin, NSW Team Up For Cold Finished Sales

Ninety-five years ago, when Colonel S.E. Bliss and John E. Laughlin shook hands to form the partnership of Bliss & Laughlin, it was to take advantage of the marketing edge cold finished steel bars offered over the high temperature production bars of their day. Those advantages still hold true now: accuracy, fine finish, straightness, strength, and better machinability.

From the very beginning, Bliss & Laughlin quality "shaftings" were sought for important jobs where performance was crucial. Bliss & Laughlin shafts opened and closed the gates of the Panama Canal.

The Company not only has excelled in the production of cold finished steel bars over the ensuing years, but has expanded to serve the growing industrial communities across the United States.

Today Bliss & Laughlin is the biggest U.S. independent cold drawn bar producer, operating cold drawn bar plants with six drawing benches. That includes the biggest drawbench in the U.S., the 650,000-lb. draw bench at Harvey, IL, the company's largest plant. Capacity on these drawbenches is 3/4" to 6" rounds. Bliss & Laughlin is the largest flat manufacturer in the United States, drawing from 1/4" to 4" thick and from 1" to 15" wide.

The Company also has six coil-to-bar drawing lines (four at Batavia, IL and two at the other major cold drawing plant at Medina, Ohio) that allows

"This is a new area for us and Bliss & Laughlin was our first Hot Stock Customer. They have been very helpful to us."

Vern Johnson
NSW Steel Division
Manager of Sales

the company to cold draw 6,000-lb. bar coils, the largest currently available, in sizes to 1 1/2" diameter.

Bliss and Laughlin has helped Northwestern Steel and Wire Company enter into the cold drawn market. Up



Shown is Bliss & Laughlin's Harvey facility which includes the biggest drawbench in the U.S. The 650,000 lb. draw bench has a capacity to make rounds from 3/4" to 6". Northwestern produces Hot Stock for Bliss & Laughlin's cold drawn bars.

until recently Northwestern produced only low carbon steel for hot rolled applications.

"Mike DeBias, [Vice President of Purchasing of Bliss & Laughlin] has been friends with many of us at Northwestern for many years. It was at his urging that we entered into the hot stock market," Vern Johnson, Steel Division Manager of Sales, said.

Hot stock is a semi-finished product which is used for cold drawn bars and is higher quality than steel used in hot rolled products.

"This is a new area for us and Bliss & Laughlin was our first Hot Stock customer. They have been very helpful to us," Johnson said. "I think it is very evident that Bliss & Laughlin has a great deal of confidence in our ability to produce a high quality product and provide top service."

DeBias said Bliss & Laughlin places emphasis on quality and service. "What is most typical of our Company is its continuing dedication to being better. Better than it was before. Better quality, better service...this is notably apparent in the \$15,000,000 modernization program in the Harvey plant

alone."

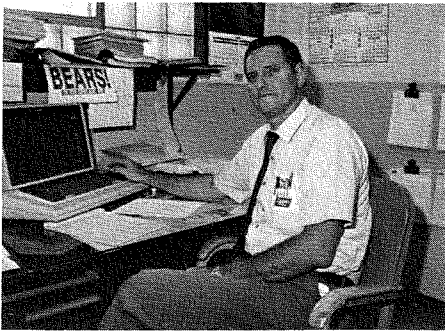
Bliss & Laughlin serves its customers with a product line that provides service centers and major producers of farm equipment, industrial tools and machines, appliances, automotive, aircraft and railroad equipment, mining and refining, electric motors, and others.

"The Company has the broadest product line capability of anybody in the industry and as a companion advantage provides one of the most complete choices of processing services. Everything Bliss & Laughlin does is designed to give their customers what they need, when they need it," DeBias said.

"Bliss & Laughlin appreciates the help and effort put forth by Northwestern's management, production, and sales personnel in supplying our requirements. We have a good, strong relationship that will continue into the future, and we look forward to bigger and better things for both our companies as time goes on," DeBias commented.

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Wire Division Utilizes New Inventory System ⁷



Steve Hart

One of the great strides that Northwestern Steel and Wire Company has taken during its comeback attempt has been to keep close watch on inventory levels.

Beginning in early July, Northwestern's Wire Division has begun utilizing a similar system to maintain manageable inventories.

Through a manageable inventory system, the Company becomes more responsive to customer needs, im-

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Salaried Golf Outing Set

A golf outing for Company salaried employees and salaried pensioners will be held August 23 at Lake View Country Club.

Green fees for the golf outing are \$7 and the prize money fee contribution is \$6. Tee-time is slated for noon.

Spouses and/or friends are invited to join players in a pot luck dinner at the Country Club at about 5 p.m. All are asked to bring table service and a dish to pass. Meat will be furnished at a nominal charge.

Prizes will be awarded for the following: Low score (partners); high score (partners); average of both (partners); closest drive to the 150 yard marker on No. 6 hole (man and woman); longest putt on holes nine and 18; closest to the pin on holes seven and 15; low score - individual.

Salaried personnel wishing to participate in the golf outing should contact one of the following persons prior to the Aug. 15 deadline: Plant 1 - Don LaFavre (Ext. 190 or page 300); Plants 2 and 3 - Jack Cox (Ext. 368 or 431); Plant 4 - Tom Baker (Ext. 303-304); Plant 5 - John Smith (Ext. 490); Office Personnel - Tom Vercillo (Ext. 240); Retired - Harold Parks (625-3014) or Ollie Schulz (626-3365).

proves customer service, avoids having working capital tied up and increases its cash flow. Also, since inventory control and production control go hand in hand, more accurate control of production - particularly in slow moving items - better utilizes the resources of the Company.

Kirkwood Consulting Associates has aided Northwestern in developing the inventory control systems in both the

Steel Division and the Wire Division.

"After we got our feet on the ground with the Steel Division's inventory system, we started right in on the Wire Products system," **Steve Hart**, Northwestern's Supervisor in charge of Providing and Inventories for Wire Products, said. "With the help of **Jim Ozimek** (from Kirkwood and Associates) we now have the system in operation. Kirkwood has been real helpful in providing us information on how other companies have organized their inventory control," Hart said. "Of course we've decided what works best for our Company. We've come up with our own program."

In the past, the practice at Northwestern was to "fill the bin." But the danger of "full bins" is that some products move slower than others and at different times of the year. The result is an imbalance in inventory.

With today's Production Control/Inventory Control concept, sales and shipping needs are aligned with the operating capability to provide monthly production requirements.

"All wire products have been assigned an inventory code so that heavy shipping volume items can be scheduled into production on a monthly basis to a planned inventory level; medium volume shipping items are set up to be produced as needed in three-month allotments to minimize set up costs and prevent schedule interruptions; slow volume shipping items are produced subject to a Minimum Run Quantity set up by each operating department," Hart said.

Non-standard or specialty items have been identified and as orders come in for these items, the sales department notifies the operating department as to customer needs and the operating department provides sales with the commitment of when the item can be worked into their schedule.

This system has been worked out by many meetings with Sales; **Bob Tousley, Roger Wait, Al Lopez**; Data Processing, **Larry See, Carl Fisher, Roy Woods**; Production, **Mike Mullen, Gordon Rolofson, Tom Baker, Don Nehr Korn, Roger Lubbs, Tom Clementz, John Stauter, Bob Sprungman, Dave Erby, Roger Port**. All three of these disciplines have worked extremely hard in the development of the inventory control system.

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July Anniversaries

35 Years

Enrique Cavazos, 7/13/51, Billet Caster.

25 Years

Robert Mundt, 7/11/61, Plant 2 Machine Shop.

LaVone Shonefelt, 7/29/61; General Millwrights.

20 Years

Kenneth Shawver, 7/2/66, 46-Inch Mill.

Taylor McGinnis, 7/2/66, 20-24-Inch Shipping and Finishing.

Russell Burkholder, 7/5/66, Wire Galvanizer.

Gary Schueler, 7/16/66, Plant 3 Inspection.

Benjamin Martin, Jr., 7/17/66, 12-Inch Mill.

Donald Podkulski, 7/17/66, Nail Department.

Merrill Howard, 7/17/66, Plant 2 Welders.

Ivan Gramm, 7/25/66, Scrap Yard.

William Baughman, 7/25/66, Plant 2 Millwrights.

Reynaldo Cavazos, 7/27/66, Wire Galvanizer.

Jose Donna, 7/31/66, Plant 2 Millwrights.

15 Years

Terry Wike, 7/1/71, Salaried, Employee Benefits.

Dale Workman, 7/5/71, Over-The-Road Driver.

Thomas Baker, 7/15/71, Salaried, Electro-Weld-Plastic.

Jose Martinez, 7/16/71, Electro-Weld.

10 Years

Daniel Cibu, 7/6/76, Over-The-Road Driver.

Faith Dunn, 7/12/76, Salaried, Accounting.

James Schuchard, 7/15/76, Wire Galvanizer.

Important Questions & Answers About Heatstroke/Heat Exhaustion

Can you answer these questions?

1. What is heatstroke and heat exhaustion?
2. How can YOU tell the different warning signs of each?
3. How can YOU prevent heatstroke and heat exhaustion from happening to you?

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1. What is heatstroke and heat exhaustion?

Heatstroke - Is caused by exposure to an environment in which the body is unable to cool itself sufficiently, with the result that the body temperature rises rapidly. Heatstroke usually results when the heat-regulating mechanisms of the body break down.

Researchers have found that people who work in excessive heat for a long period of time sweat less and less. They may even stop sweating altogether and their body temperature could rise to dangerous levels.

Heatstroke is a much more serious condition than heat cramps or heat exhaustion. Doctors consider *true heatstroke* to be a *medical emergency* because the high body temperatures may cause brain damage if not treated right away. The body temperature of a victim may reach as high as 112 degrees F. Victims of heatstroke need immediate treatment. Those who are not treated may die.

Heat Exhaustion - Is less severe than heatstroke. It generally occurs in persons who work near boilers and in places with high temperatures and humidity. Victims become weak, pale, with clammy skin, and heavy sweating. The victims usually will perspire freely and their temperature drops below normal. Their condition is like that of a person in shock. The person may have a headache and may even vomit.

★ ★ ★ REMEMBER ★ ★ ★

Heatstroke is always life threatening. Heat exhaustion is a milder condition of heatstroke. Both conditions occur most often on hot days during physical activity and anyone can have either condition and either condition can happen to older people, even during such mild activity as taking a walk.

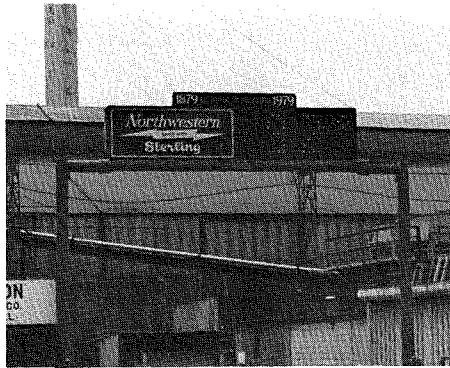
2. How can you tell the different warning signs of the two?

Here are the most important differences between the signs for heatstroke and heat exhaustion:

Heatstroke - The skin is hot and dry and the body temperature is very high.

Heat Exhaustion - The skin is cool and wet from sweating and the body has a normal temperature.

3. How can you PREVENT heatstroke and heat exhaustion from



When the temperature reaches into the 90's outside it is often much hotter inside the mills. Employees should take care to avoid heat exhaustion and heatstroke.

happening to you?

Heatstroke and heat exhaustion can be prevented by putting a little extra salt on your food or adding some to your drinks. If you are *hypertensive* or have *high blood pressure* you should consult with your physician first.

Drink plenty of water. You should have a small drink about every 15 minutes or so. Beware of extra sun exposure during your time off.

When you start feeling the ill effects of either heatstroke or heat exhaustion get out of the sun or the area in which you are exposed to the heat and go to an area where you can cool down.

Some First Aid Hints: Heatstroke - You should move to a cool place, loosen your clothing, lay with your *head elevated* and cool your body with water.

Heat exhaustion - You should move to a cool place, cover your body, lay down with your *head lowered* and drink a salt water solution.

**By Gary Budde
Safety Engineer**

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RISE Team Completes Warehouse Project

Through long and laborious data collection, proposals, layouts, and discussions, the RISE (Resolving Issues Serves Everyone) Team has completed its project pertaining to the warehousing of products manufactured at Rock Falls.

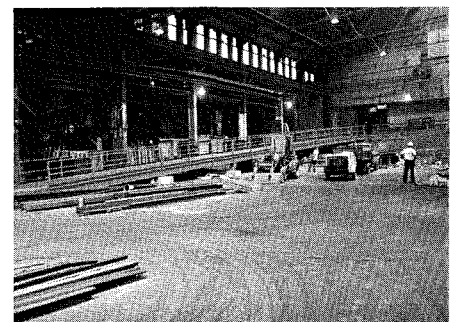
The proposal, which was recently approved by the Labor Management Participation Team (LMPT) Steering Committee, calls for an employee being assigned to maintain an organized and systematic method of warehousing these products.

In the past the warehousing was done on an as needed basis. The proposal made by the RISE Team would provide for an employee to be accountable for proper warehouse storage and layout.

Because the LMPT process does not deal with items negotiated between the Company and the union, the details with respect to seniority and lines of progression will be worked out by the

appropriate joint committees.

The Team has estimated that a savings of approximately \$57,000 per year can be realized as the result of implementing this proposal.



The new ramp from the descaler department to the wire mill just recently completed will speed up transfer of materials. The old ramp snaked around in a box-like circuit and consisted of several tight turns. The new ramp was proposed by the "NSW" Employee Involvement Team.