

A LOOK INSIDE



QIP Team suggestions save \$160,000.
See page 5.



NSW Sales staff learn techniques of telephone selling
See page 7.



First female Security Guard now on duty
See page 8.

The Owners Manual

A PUBLICATION FOR EMPLOYEE/OWNERS AND RETIREES OF NORTHWESTERN STEEL AND WIRE COMPANY

May, 1989

Who guides Northwestern?

Employee/owners ask about NSW leaders

Following their attendance at the recently held *Dollars and Sense* seminars, employee/owners asked for a more in-depth explanation of the various committees, groups and people who represent NSW workers in planning and decision making for the Company.

Mentioned were QIP/LMPT, the NSW Management Chain of Command, the Board of Directors, the ESOP Administrative Committee, and others. The March issue of *Owners Manual* featured a review of the ESOP Administrative Committee; the makeup and responsibilities of these various groups and people will continue to be explored in this and future issues.

The NSW Board of Directors election process

According to the Northwestern Steel and Wire Company Proxy Statement/Prospectus, issued in June of 1988, the Corporation's Board of Directors "will be comprised of 13 directors consisting of the Class A Directors, the Class B Directors and the Common Directors. Each director will hold office for a term of one year and until his successor is duly elected and qualified or until his earlier resignation or removal." The term commenced with the Effective Date of the merger - August 16, 1988.

Class A Directors are selected through a three-part system:

- 1) A nominating committee is assembled, comprised of representatives of both Union and Salaried employee/owners (other than Senior Management) with representation proportional to the number of employee/owners in each group in the Company.
- 2) This nominating committee selects nominees to stand for Class A Director election. Again, the number of nominees is proportional to the representation on the committee.
- 3) The holders of the Class A shares (the employee/owners of NSW) then vote to elect five Class A Directors from among the nominees.

Class A Directors

- John E. Kelly, Northwestern Steel and Wire Company, Sterling, IL.
- Othel O. Osborn, retired, Northwestern Steel and Wire Company, Sterling, IL.
- Stephen L. Hester, Arnold & Porter Attorneys, Washington, D.C.
- Joseph A. Blasi, California Polytechnic State University, San Luis Obispo, CA.
- Raymon F. Whitney, Kleiman, Whitney, Wolfe & Gore, P.C., Chicago, IL.

Class B Directors are nominated and elected by the Outside Investors (49% shareholders in NSW) and Senior Management. Representatives of the two Outside Investor sources

each nominate two Class B Directors with the fifth Class B Director nominee being the Chief Executive Officer of the Corporation. The tenure of this group continues in effect until the earliest of:

- (i) the expiration of the period ending on the date of August, 1, 1993 or the first date on which the ESOP does not own at least 15% of all Common Shares; or
- (ii) the date that the Outside Investors, Senior Management and their permitted transferees no longer own at least 15% of all Common Shares; or
- (iii) upon written consent of a specified percentage of the Class B shares.

Class B Directors

- Michael J. Rosenthal, M.J. Rosenthal & Associates, Inc., New York, NY.
- Marshall L. Berkman, Ampco-Pittsburgh Corporation, Pittsburgh, PA.
- Robert Paul, Ampco-Pittsburgh Corporation, Pittsburgh, PA.
- Edward G. Maris, Northwestern Steel and Wire Company, Sterling, IL.
- Robert M. Wilthew, Northwestern Steel and Wire Company, Sterling, IL.

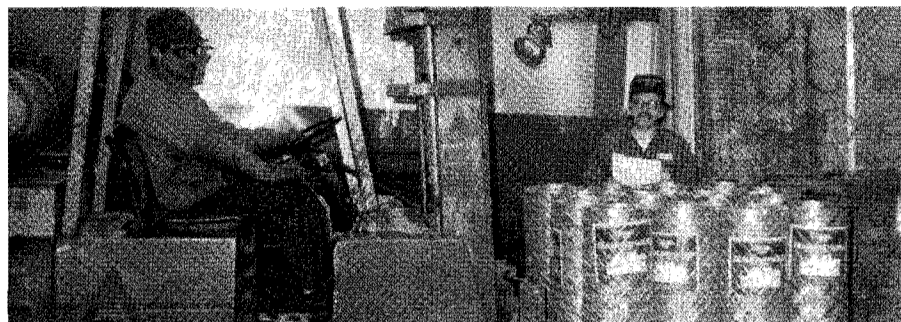
The Common Directors will be nominated by the Board of Directors and elected by the separate majority vote of Class A shareholders and Class B shareholders, in the following manner:

- 1) The Board of Directors will assemble a nominating committee comprised of two Class A Directors and two Class B Directors, each designated by a majority of their respective Director groups.
- 2) The nominating committee will nominate, by a vote of at least three of its members, three persons for election as Common Directors.
- 3) Class A shareholders and Class B shareholders, each voting as a class, will elect Common Directors from the nominees, by a separate majority vote.

No Common Directors have been either nominated or elected to the NSW Board of Directors as yet.

Any vacancy in the Board of Directors and any directorship to be filled due to an increase in the number of Directors will be filled at an election held at an annual or special meeting of the NSW shareholders. Any vacancy occurring between meetings of shareholders due to an increase in the number of directors or otherwise may be filled by the Board of Directors on the vote of at least a majority of all directors.

Owners Manual will keep its readers apprised of upcoming nominations and elections as such information becomes available.



First shipment of Diamond-Weld fence leaves Rock Falls Plant March 10th. The shipment is headed for Mazel & Company, Chicago. Shown are Jim Seavey (seated on forklift) and Kenny Kokott of the Plant 4 Shipping Department.

Diamond-Weld Fence rolls into production

A new decorative steel fence is now available from Northwestern Steel and Wire Company. Called "Diamond-Weld" because of its attractive diamond pattern, the fence is as beautiful as it is sturdy.

The fence is perfect for fencing in yards, pet confinement, and other household uses. Diamond-Weld is available in galvanized or green plastic-coated finishes and can be purchased in 50-foot rolls of either 36- or 48-inch heights.

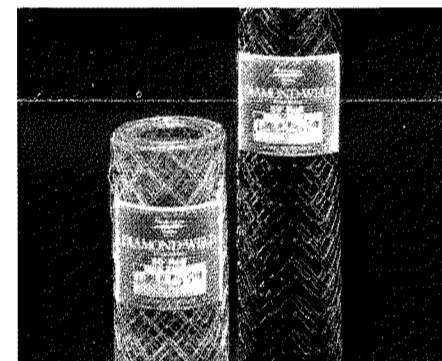
The first shipment, to Mazel & Company, Chicago, rolled out of the Plant No. 4 Shipping Department on March 10th. Mike Mullen, Vice President of Operations, Wire Products Division, said production should soon be in high gear.

"The machine came on line late in the season, and so far we have been testing the waters in the market," Mullen said. "With our product quality, we expect to be in full production next year."

Gordon Rolofson, Manager of Plant No. 4, said all Diamond-Weld produc-

ed to date has been sold. "We have sold about 1,500 rolls each of the 36- and 48-inch galvanized fence," he said.

Diamond-Weld is expected to be a profitable product in the future, in part because NSW has a big market advantage. "There is only one other manufacturer in the country making this type of product," Mullen said.



Rolls of NSW's Diamond-Weld fence ready for delivery. The decorative steel fence is available in galvanized and green plastic coated finishes.

Primary's capital plan goes forward

Based on a strong Profit Plan performance and the resulting improvement in cash flow, Primary's capital plan for Fiscal 1989 has begun.

The plan calls for the installation of a ladle metallurgy furnace, ladle transfer cars which are capable of holding two ladles over the tundish for both the Bloom and Billet Casters, new low impedance electrode arms for Nos. 6 and 8 furnaces, and a new low impedance delta closure for No. 8 furnace.

\$10 million to be spent

The total expenditure in the Primary Department is set at \$10 million, to be split over Fiscal Years 1989 and 1990. The improvements, which are planned to be operational by February, 1990, are projected to reduce NSW's costs by \$13 per liquid metal ton.

The individual components of the plan are interdependent and specifically tailored to address higher throughput opportunities in the Primary Operation. Specific goals include:

- 1) Limiting the electric furnaces to the basic melting of scrap, at which they are most efficient, and moving the refining period to the ladle furnace.

This will reduce the total heat time by lowering the tap temperature, which will substantially reduce melting time and operating delays due to the wear and tear associated with today's high tap temperatures. It will also improve the consistency of quality by much improved chemistry and temperature control.

2) Increasing the power input to the electric furnace by lowering the resistance to the power flow through the delta closure and electrode arms so that, in combination with the lower tap temperature and reduced furnace delays, the furnace cycle will better match the caster cycle.

The resulting logistics will increase caster production capacity and greatly improve yield.

3) Eliminating the delays and yield losses currently experienced due to ladle crane availability as it relates to the present two-crane switching of ladles at the caster(s) in order to maintain casting sequences.

Northwestern employee/owners have earned their way to acquiring these modern primary facilities, which will continue to keep the Company competitive by ongoing cost reduction and quality improvement technology.

Viewpoint

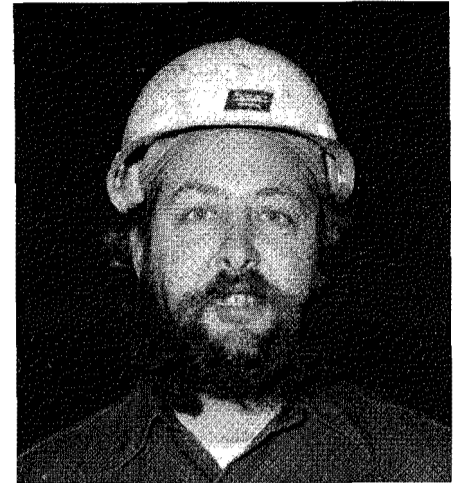
“Do you think the QIP and LMPT Programs are effective?”

The NSW employee/owners who give their viewpoint are picked at random. The opinions of the *first eight* people who give spontaneous or impromptu answers are used; we do not look for the “best” eight answers. The responses given are the responses that appear in print. They are not edited or changed.



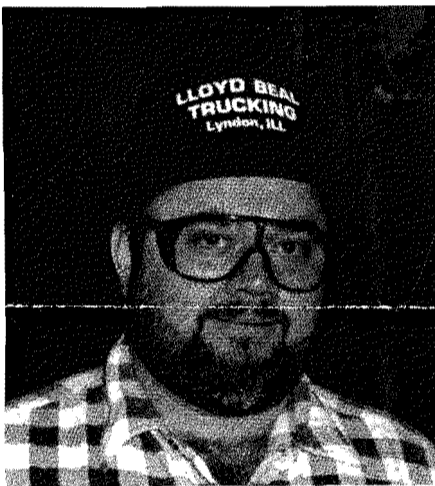
“The cost savings on several projects has been very positive. Employee involvement makes for good communication with management.”

Karen Galbreath
Purchasing Assistant



“Even though I’m not a member of one, I think they are a good idea. They get people together to solve cost problems - since this Company is both of ours together.”

Richard Kradle
Caster Ladleman



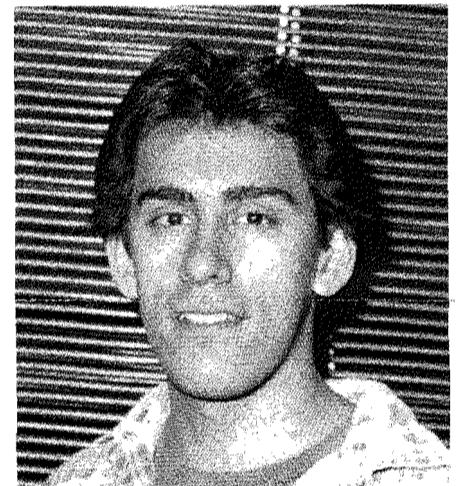
“I agree with them whole heartedly. I’m a QIP team member. The Company has worked with us very good on our PIC program.”

Dave Gray
Checker
East Plant Shipping



“I think they are effective. Everybody still has to work together, though, to be effective.”

William Yarbrough
Adjuster
Field Fence Department



“Yes they are effective because they take care of safety and watch out for the employees.”

Manuel Rodriguez
Mat Department Bundler



“I think they are very good. I type up the presentations for the QIP Teams and I see the cost savings that can be realized through this program. People should care because it is saving us money.”

Beth Lancaster
Executive Secretary
For Steel Division



“I guess they are. I’m not really that familiar with it yet. I guess it is doing us some good. They can express their views from all the departments for changes and everyone can improve things in their department.”

Jeff Spotts
Mat Department Bundler



“Yes I do. There is a large untapped source of knowledge on the floor by people who work with the equipment every day. It gives the operators a chance to input their ideas - which gives any person a good feeling towards his or her job.”

Ken Burnett
Manager
Services and Engineering

PCIC helps NSW break records

The Production Control/Inventory Control (PCIC) program that began in May, 1985, was nearly two months in the planning stages, said Jim Galloway, PCIC General Manager since 1985.

The PCIC program is all-encompassing, linking together the Engineering, Sales, Operations, Finance, and Shipping Departments at Northwestern.

Among the approximately forty functions of PCIC are planning and scheduling of production through the furnaces, casters, rolling mills and the Wire Division; inventory control; order tracking, and shipping.

"The program also allows us to show how inventory dollars are spent, set limits, control slow-moving items, improve yields, and create reliable schedules," Galloway said.

Operating plans produced

Because Northwestern is always market driven, PCIC translates sales forecasts into operating plans that best utilize the Company's assets.

"We want a repeatable, reliable supplier reputation," Galloway said. "We want our customers to know they can depend on us as a quality supplier."

Today, NSW produces to a market - resulting in lower costs and higher volumes. For interaction of various

departments, Galloway likened PCIC to the game of football. "PCIC is the quarterback, but everybody knows what the play is," Galloway laughed.

Skeptics wrong; records fall

Although skeptics predicted PCIC would bring record-setting to a halt, Galloway said Northwestern results prove otherwise. "We think you break records by scheduling correctly so each person can do his or her job efficiently," he said.

The records have continued to fall despite equipment downtime. "In March, for example, we broke records in spite of the fact that the caster was down for five days," Galloway noted.

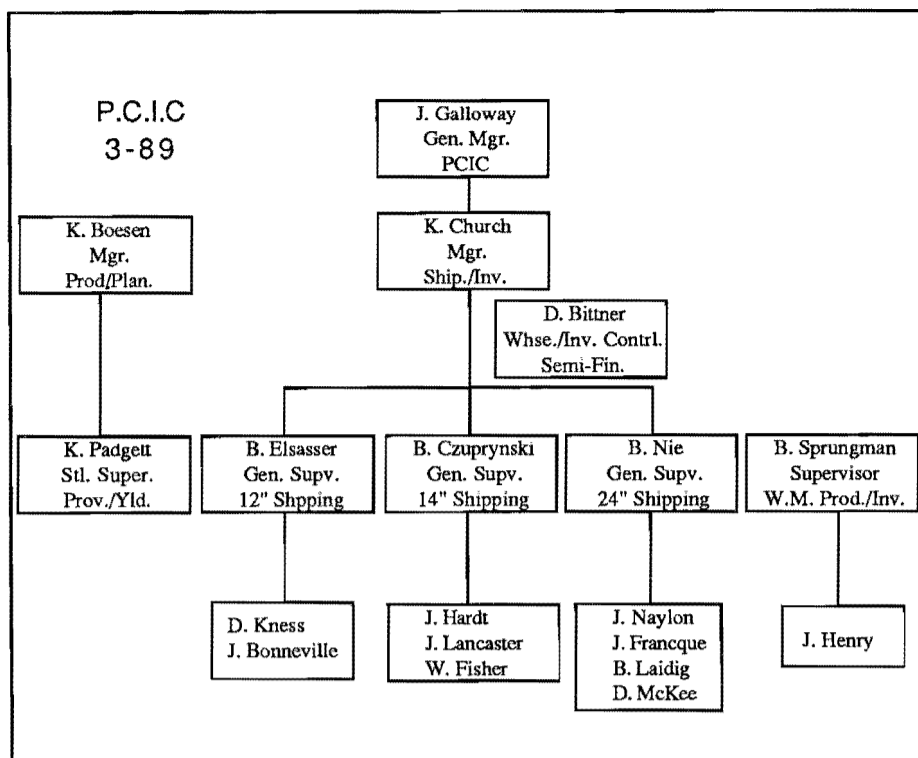
"Thanks to computer-integrated manufacturing - we have CRTs on the floor in each of the production areas - we can filter situations as they arise."

Just the facts

Galloway calls the custom-designed system "one of the best in the industry." Decisions such as deadlines and cut-off times are based on fact, not guesswork.

"Think of the lottery with 54 numbers and a possibility of 8 million combinations," Galloway said.

"Then, think of us and all the possi-



PCIC functions as the "nerve center" of Northwestern's operations; thus, the above organizational chart may be helpful.

ble combinations of products, people, grades, and sales. We eliminate the variables to get rid of the guessing."

The PCIC program, which was a refinement of the old "pencil-and-paper" method transferred to a computer program, also helps eliminate unnecessary - and expensive - inventory. "We used to have three inventory turnovers per year, but we now have improved to better than 10 turns per year. We adjust to sales so we

don't have dollars tied up in slow-moving inventory," Galloway explained.

In short, the PCIC program, together with the expertise of all the Department's employee/owners, helps boost productivity and profitability.

Matching funds needed

SVCC wins federal grant

Sauk Valley Community College is one of only 33 colleges and universities nationwide to receive a \$1.4 million grant from the U.S. Department of Education, according to Bob Farrell, Assistant Director of Planning and Development.

The award, made under the Title III Challenge Grant Program, is contingent on the collection of "matching" funds from the local community by March 15, 1990; thus, the final amount awarded will equal the amount of local dollars collected up to \$1.4 million.

Farrell said the funds will be used to "strengthen" the institution, and possible uses include provision of scholarships and purchase of equipment. "The grant allows institutions to do things we could never do without outside help," Farrell said.

Endowment fund established

Funds collected will be placed in a special endowment fund, the principal of which must be maintained for 20 years. "Annually, we will be able to use 50% of the income from the endowment fund in whatever way the Board of Trustees feels is the most pressing need," Farrell explained. The remaining 50% of annual income must be returned to the fund.

At the end of the 20-year period, the fund is "owned" free and clear by the college. "Over a 20-year period, at current interest rates, we are looking at well over \$1 million," Farrell noted.

Outlook is positive

Collection of matching funds is already in high gear, and Farrell said an internal campaign at SVCC - the first in the school's history - resulted in a whopping 82% response. "The people who work here think this is a good idea," Farrell said.

In addition, a local private foundation has agreed to match all funds collected dollar-for-dollar. "It has given a

lot of encouragement to us to continue," he stated.

Fundraising efforts are coordinated by a seven-member steering committee composed of local business and community leaders from each of the communities served by SVCC. Northwestern Steel and Wire Company President and CEO Robert M. Wilthew is a member.

Farrell added that the fundraising process has allowed school personnel to more effectively evaluate the school's programs and services. "It has had a positive effect on the way we look at program implementation on an everyday basis," he said. "We are the only institution of higher education in the area, and we prefer to do a good job for the people we serve."

SVCC beneficial to Northwestern

Over the years, SVCC has maintained strong ties with Northwestern Steel and Wire Company; countless NSW employee/owners and their children have utilized the many classes and programs offered by the college.

Others, such as Larry See, Manager of Information Services, and Operations Auditor Jim Boesen have served on SVCC's Business Advisory Committee, while others, including Manager of Training and Development Frank Rausa, have taught classes at the college.

SVCC has also played an important part in employee training. For example, about half of the Electricians from Plant No. 1 are now attending a class in programmable controllers. "The classes were started last Fall," said Lee Buntjer, Supervisor of Electrical Maintenance at Plant No. 1. "It better enables us to trouble-shoot and repair our machine controls—we're studying a type of PC that we have right here in the Plant."

Fall Semester attendees are now taking an advanced class, and those currently enrolled in the entry-level

program will move to the advanced class next Fall. "We're getting hands-on training as well as lecture," Buntjer explained. "It is just great."

Boesen, also, said SVCC fills an important community need. "We're between major cities, so there isn't any other outlet for higher education. When the college was started, there was a real pent-up demand and the community was ready for it."

All in the family

Boesen is representative of many other NSW employee/owners in that SVCC education is a family affair; his wife and three of his four children attended the college. In 1987, Boesen was the second recipient of the Outstanding Alumnus Award; and this June, he was named to the Alumni Association Advisory Board.

QIP/LMPT Program Manager Larry Miller, who earned an Associate of Applied Business degree and has taken 70-plus hours at SVCC, also speaks highly of the college. "It gave me an opportunity to take classes and advance myself in the Company," he noted. "The faculty and staff are top-notch. As far as I am concerned, it is the most important asset the community has."

Here's how to help

NSW employee/owners are encouraged to participate in this extremely worthwhile project. Contributions can be mailed to Sauk Valley Community College, Illinois Route 2, Dixon, 61021. Checks should be made payable to the Sauk Valley Community College Endowment Fund.

For more information on the grant program, call Farrell at (815) 288-5511, Ext. 288, or Karen Kylan, Director of Planning and Development, Ext. 329.

Going for the gold

Corporate Olympics set

It's almost time to go for the gold.

Gold medals, that is, in the 2nd Annual Corporate Olympics sponsored by the United Way of Sterling and Rock Falls.

The August 6 competition will feature 14 events, including five coed competitions. Most events are divided into male and female divisions.

NSW employee/owners are hoping to improve on last year's showing, which saw more than two dozen NSW workers take part but did not produce a team championship.

Elaine Hand of First National Bank, who is organizing this year's Corporate Olympics, said points were awarded to the top seven finishers in last year's competition.

Fourteen companies and more than 300 individuals took part in the first annual Corporate Olympics.

National Manufacturing finished first in Division 1 and Ward, Murray, Pace & Johnson won first in Division 2. Central National Bank received the company spirit award a year ago.

NSW will again compete in Division 1, which includes companies with more than 150 employees.

Hand added that competition will be divided into two age brackets this year, 34 and under and 35 and over. Trophies will be awarded to the top three companies in each division. Medals will be awarded to each first-place finisher, with ribbons handed out for second and third place.

"A plaque will be awarded to the company with the loudest and most spirited cheering section," Hand said.

The Corporate Olympics will begin at 1 p.m. August 6 at Roscoe Eades Field with the Sterling Track Club coordinating the events. Award ceremonies will begin at 5:15 p.m.

Hand noted tennis matches will begin at 9 a.m. the same day, but the tennis competition will not be divided into age groups.

Individuals can enter only four events, she said.

Salesmen of year honored



Mike Foley, Outside Salesman of the Year (center) proudly displays his award at an April presentation at Rock River Country Club. At left is Northwestern President and CEO Robert M. Wilthew, while Chuck Biermann, Vice President of Steel Sales, stands at Foley's left.



Inside Salesman of the Year Jim Thurwanger, Steel Division, receives his award from Vice President of Steel Sales Chuck Biermann April 1st.

Michael Foley, Outside Salesman of the Year, and Jim Thurwanger, Inside Salesman of the Year, were honored at special banquets in April.

According to Vern Johnson, Sales Manager of the Steel Sales Division, several criteria are considered in selecting the Salesmen of the Year. The Inside Sales award recipient is judged on the basis of four categories: getting the job done, cooperation and helpfulness, attitude, and telephone

selling effectiveness.

The Outside Sales award is based on tonnage performance (percentage of assigned goal), profit performance, number of new accounts generated, actual budgets and expense accounts, and an annual review.

Both men were selected from a field of eleven, respectively.

Foley, of Birmingham, Alabama, has been an NSW employee/owner for ten years, while Thurwanger join-

ed NSW in May, 1985. Both were feted at Rock River Country Club in early April.

For his efforts, Foley received a beautiful mantle clock, while Thurwanger received a portable television set. Chuck Biermann, Vice President of Steel Sales, presented the awards.

Owners Manual applauds the outstanding efforts of these two employee/owners and extends congratulations on their selection as Salesmen of the Year.

Notes from the field

Information, planning and cooperation are keys to sales success

Northwestern Steel and Wire Company is well-regarded in the field, according to Outside Salesman Lee A. Matera, whose territory includes Missouri, Kansas, Oklahoma, and Nebraska.

"We do well because of our open communication with customers," he said. "There are no district sales offices or 'middle' people. Customers can call up and get an idea of what is available, where their order is, etc., even if they can't get in touch with a sales representative on the road."

Matera, a 34-year NSW veteran employee/owner, said customers include service centers which purchase stock lengths of steel beams, angles, and flats such as Ryerson and Central Steel. NSW also sells to small OEMs and fabricators who make such items as refrigerator racks and shopping carts as well as to building fabricators.

How does a sales representative decide where his time is best spent?

Customers designated by type

Customers are designated as A, B, and C according to type, Matera said. "A" customers are the strongest in terms of volume sales; "B" customers are similar to "A" customers but may need more sales time due to specific problems or opportunities in terms of growth. "The 'C' customers are those who are small but have potential," Matera said. "And, we also make cold calls on new accounts every week or so."

Predetermining sales strategy is important to success, Matera said. Before visiting with a major account, he sets written goals and reviews PCIC sheets that show the status of the customer's current order and year-to-year tonnage purchased by product.

"There are three things I always do on a sales call," Matera said. "I check to see how the customer's business is

doing, ask for an order, and sell, by profitability of the product, if possible."

Everyone counts

Inside salesmen are also important to Matera. "They're there for customers to contact and to follow up and let us and the customer know what's ready and available," he said. "There's no question that if we don't respond we lose sales - the customers just go to the next guy."

In fact, Matera admits it is the "way NSW does things" - such as the home office helping the salesmen by returning information - that boosts NSW's positive image in the field. Matera compares the situation to an analogy presented in the Dollars & Sense seminars. "We operate like the fingers on a hand, and if you cut a finger off you bleed to death," he explained. "We work together - everyone counts."

Bucket brigade aids ailing employee/owner

NSW employee/owners opened their hearts and dug deep into their pockets to contribute \$3,200 to a fellow worker stricken by Leukemia.

Bill Eberly, Plant No. 2 Machinist, organized the effort on behalf of Tom Bradshaw, a Plant No. 2 Welder. Bradshaw, at the time of the bucket brigade, was undergoing chemotherapy treatments at United Medical Center, Moline, Illinois, for Leukemia and Myelofibrosis. He has recently been readmitted to the Moline facility for further treatment.

Volunteers manned buckets at five gate locations plantwide on April 19th and 20th. Eberly said he is pleased with the response and issued a special thank-you to Bill Boesen for his assistance in organizing the Bucket Brigade. "The employee/owners of Northwestern are the greatest!" Eberly exclaimed.

Plans to make donations to an area blood bank on Bradshaw's behalf are also in the works.

The following individuals were among the many NSW employee/owners who assisted with the Bucket Brigade:

East Plant

Gale Bradley, Lou DeMay, John Teske, Al Burkett, Don Handel, and Jack Kelly.

Plant No. 2

Bruce Carr, Bob McKenna, Leo Cuevas, Carroll Whitlock, Clyde Wentling, Terry Walker, Dan Kelly, Ron Hulteen, Ira Greenwalt, Ron Rogers, Joe Swope, Terry Williams, Dave Kierczynski, and Dale Howard.

Plant No. 3

Herb Asbury, Ron Vaughn, Butch Elder, Gary Arity, Don Weimken, Frank Norman, Al Shipman, and John Whitman.

Plant No. 4

Al George, and volunteers.

Plant No. 5

Dick Vaughn, Ken Ronzone, Larry Williams, Max Knowles.

Pentagon

Bill Howard and Ed Edmonds.

Office Annex

Bill Boesen, Leona Richards, Denise Frey, Jim Boesen, and Jim Treacy.

Owners Manual joins Eberly in thanking NSW employee/owners for their generosity and extends best wishes to Bradshaw.

Effective communication tool

Sharp newsletter for Nail Department

Everything you ever wanted to know about the Nail Department but were afraid to ask can be found in "Nails," the department's new bi-monthly newsletter.

Everything from the latest safety tips and production totals to births, deaths and the width of a football field graces the pages of the three- to four-page department publication.

Anything the Nail Department employee/owners want will appear in the pages of "Nails," according to NSW Nail Department Manager Don Nehr Korn.

"It's not my newsletter," said Nehr Korn, who admits he compiles it about every two weeks and has it typed by his Clerk, Dorothy Kimbler.

"It's a Department newsletter, it's for the fellows."

"Nails" was started in February, he added, "due to the comments of employee/owners that they wanted to communicate with everyone in the

department, to let them know what was going on in the department...it was not my idea."

Input encouraged

Even though he modestly ducks any credit for the Department publication, he eagerly tackled the project. He invites all Northwestern Steel and Wire Company employee/owners in his Department to submit anything they want to see in print. About every two weeks, it gets typed up and run through the office copier and, on about the 1st and the 15th of every month, a new issue is handed out.

Response has been good, according to Nehr Korn.

"It's been real good. We get a lot of feedback and they feel like they know what's going on. Lately, they ask me about the newsletter - it's a topic of conversation."

"The more they're informed about

what's going on in their Department; the more involved they are, the more ideas they generate."

Ideas from workers are valuable, Nehr Korn emphasized.

"Let's face it, these people are out there in the shop. They know their machines - they are the experts."

Short and to the point

The format of the newsletter is terse. The news items, tips and trivia generally are no longer than two typewritten lines, three at the most.

"We're trying to keep it simple and factual," Nehr Korn remarked. "We want to keep it simple."

"It's a family letter."

Readers of the newsletter know, for instance, that the Nail Department shipped 2,974.2 tons between March 1 and 15, and had new orders for 4,024.2 tons.

They also learned that the Nail

Department makes 172 different specifications of nails and, due to galvanizing, coating and threading, packs them as 472 different items.

Nehr Korn also uses the newsletter to inform employee/owners about new practices and policies:

"Notice - To all operators, check all the guard and table rests on their grinders."

"Notice - For all tractor drivers to use more caution when driving. Slow it down!"

A bit of friendly advice has also been known to find its way into the newsletter:

"The privilege of smoking in certain areas of the Mill has been given to us, but it can also be removed! Clean up the mess of butts all over the Department before the privilege is lost!"

"As it grows," Nehr Korn concluded, "we hope we can improve on it with the employees/owners' help."

After all, it's their newsletter.

Employee/owners set new highs

Records spring forth in April

Records continued to fall by the wayside in April as production levels reached all-time highs. In the Electro-Weld Department, Operator Jeff Nelson's April 14 record of 4,901 feet marked his sixth production record since March 8. In the Baling Wire Department, Operator Michael Cox set his eighth individual record—the most recent on April 11—since January 1 with 130 boxes of 12-gauge wire.

Owners Manual commends these two individuals as well as all Northwestern employee/owners whose efforts have contributed to the Company's ongoing success.

Electro-Weld Department Shift Record Old Record

2 x 2 x 12½ gauge, 150-ft. roll welded fabric
April 12, 1989 Dec. 19, 1988
11-7 shift
4,183 feet 3,794 feet
Darrell Erickson

½ x 1 x 16 gauge, 100-ft. roll welded fabric
April 11, 1989 (Two-year high)
3-11 shift
1,096 feet 1,024 feet
Mike Fitzgerald (Formerly a
2-man operation)

2½ x 2 x 16 gauge, 510-ft. tot and lot fabric
April 10, 1989 (Two-year high)
3-11 shift
5,590 feet 5,386 feet
Mike Fitzgerald (formerly a
2-man operation)

3 x 2 x 16 gauge, 50-ft. roll Econo-Fence
April 13, 1989 April 5, 1989
3-11 shift 11-7 shift
4,800 feet 4,761 feet
Jeff Nelson

3 x 2 x 16 gauge, 50-ft. roll Econo-Fence
April 14, 1989 April 13, 1989
3-11 shift 3-11 shift
4,901 feet 4,800 feet
Jeff Nelson

2½ x 2 x 16 gauge, 50-ft. welded yard fence
April 20, 1989 March 17, 1989
11-7 shift 7-3 shift
4,901 feet 4,793 feet
Richard Spotts

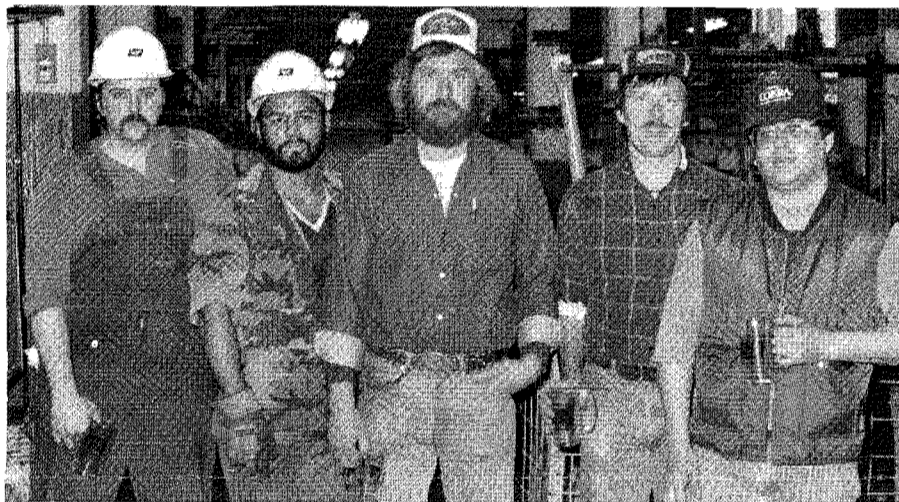
Netting Department
Shift Record Old Record
18"/36" 1 x 20, 150-ft. rolls netting
April 5, 1989 Established rate
for new man-
power
7-3 shift 7-3 shift
212 rolls 210 rolls
Operator, Everett Yates; Helper, Bill Seidel; Reeler, John Wheat; Trucker, Randy Morris.

12"/60" 1 x 20, 150-ft. rolls netting
April 17, 1989 April 1, 1989
7-3 shift 7-3 shift
213 cuts 198 cuts
Operator, Randy Jacobs; Reeler, Chris Snodgrass; Helper, Mickey Vasquez; Truckers, Clarence Hylton, Jr. and Santos Chavez.

36"/36" 2 x 20, 150-ft. rolls netting
April 13, 1989 (Set over last 3
months)
7-3 shift 7-3 shift
253 cuts 240 cuts
Operator, John Wheat; Helper, Randy Morris; Reeler, Sam Rodriguez; Truckers, Bill Cox and James Dissinger.



Trucker Randy Morris and Operator Everett Yates (front, l to r), and Helper Bill Seidel and Reeler John Wheat (back, l to r) toast their April 5 Netting Department record.



Netting Department record-setting crew includes (l to r) Clarence Hylton, Jr., and Santos Chavez, Truckers; Chris Snodgrass, Reeler; Randy Jacobs, Operator; and Mickey Vasquez, Helper. The group set a new record of 253 cuts or 5.7 tons.

Galvanized Wire
Monthly Record Old Record
March, 1989 August, 1988
436 tons 422 tons

Baling Wire
Shift Record Old Record
12-gauge baling wire
April 11, 1989 Dec. 28, 1988
7-3 shift 7-3 shift
126 boxes 122 boxes
Michael Cox

12-gauge Baling Wire
April 12, 1989 April 11, 1989
7-3 shift 7-3 shift
130 boxes 126 boxes
Michael Cox Michael Cox

6500 Baling Wire
April 13, 1989 Jan. 17, 1989
7-3 shift 7-3 shift
130 boxes 126 boxes
Trent Druce

3150 Baling Wire
March 29 May 7, 1987
7-3 shift 7-3 shift
174 coils 172 coils
Michael Cox

Caster Department
Monthly Record Old Record
Billet Caster
April, 1989 May, 1988
74,821 tons 71,929 tons

Billet/Bloom Casters
April, 1989 May, 1988
137,169 tons 135,907 tons

Savings of nearly \$160,000

Water collar design change cuts costs

Northwestern Steel and Wire Company can save nearly \$160,000 a year by changing the water collar design in the 12-Inch Mill, according to a Quality Improvement Program team report.

The problem studied by 12-Inch Mill Team No. 3 was: "Cooling water on No. 2 Mill stand is not always properly aligned and regulated, resulting in pass wear, cold edges and black spots on bar."

Co-leaders of the team were Jim Jones and Donald Deets; co-recorders were Ed Charleston and Steve Buckman, and other team members included Jack Guerrero, Carl Huffman, Lloyd McKenna, Howard Noblin, Doug McCulloh, Mark Clevenger, Jeff Vincent and Steven Shipman.

Two solutions found

The QIP team came up with two solutions to the problem; first, the team recommended NSW build two cooling collars with quick attachments.

Second, the collars should be changed once a week "so they can be cleaned and prevent them from becoming partially plugged, which would cause a restriction of the needed water flow on the pass."

The improvements would eliminate 8.7 roll changes and 26.1 pass changes per year, the report explains. Each pass change results in four hours downtime, while each roll change necessitates 45 minutes of downtime.

Savings are substantial

Eliminating the downtime would save NSW \$160,164, the report states. Furthermore, NSW now spends \$9,169 per year to install 1.45 sets of new rolls annually, plus another \$1,305 annually on labor to dress 8.7 roll sets. Eliminating these costs by implementing the QIP team's recommendations would bring the total savings to \$170,630.

On the other hand, building two sets of water collars will cost only \$426.84.

One set of water collars was put into service before the report was issued and a welder was expected to take eight hours to build the second set.

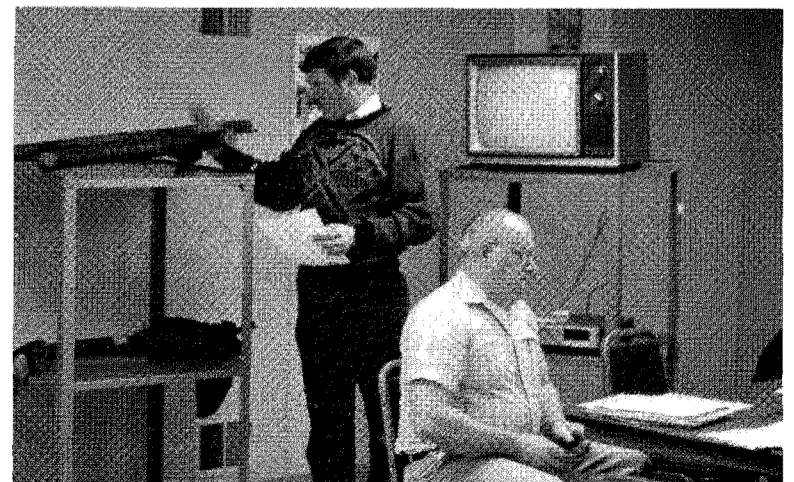
The QIP team promised to monitor the effect of its suggestions by checking the records of tons on pass changes and roll changes 6 and 12 months after the new collars are installed.

The report notes that before the changes, NSW was experiencing a \$327,600 annual cost through downtime, plus \$27,382 per year in labor costs to dress 26 roll sets.

Stats report on hold

Owners Manual is adjusting publication dates in an effort to present more timely information to Northwestern employee/owners. Therefore, the April Stats report is not included in this issue.

A full stats report will be published in the June *Owners Manual*, scheduled for mailing on or before June 15th.



Facilitator Jack Wilson (seated) listens as Support Team No. 3 member Ed Charleston discusses water collar changes in the 12-Inch Mill that will result in annual savings of nearly \$160,000.

June anniversaries spring up

In June, 64 NSW employee/owners will be celebrating up to 40 years with the Company. *Owners Manual* salutes these individuals as they reach these important benchmarks in their careers.

40 years

Richard L. McKenna, 6/21/49, Wire Mill Machine Shop.

30 years

Robert C. Davis, 6/4/59, 12-Inch Mill Crane Operators.
Raymond Carlson, 6/5/59, Wire Mill Millwrights.
Neil E. Morehead, 6/8/59, Brickmasons, Electric Furnace.
Miguel Reyes, 6/11/59, Roll Shop.
Eldon E. Williams, 6/14/59, Plant 2 Electrical.

25 Years

Hesiquio Moreno, 6/2/64, Brickmasons.
Isidro A. Castillo, 6/8/64, Scrap Yard.
Lucio Sotelo, 6/8/64, Billet Caster.
Ruth A. Martin, 6/9/64, Data Processing.
Dale E. Lockner, 6/10/64, General Millwrights.
John J. Juarez, 6/28/64, Roll Shop.
Ralph C. Phillips, 6/28/64, Scrap Yard.

Roland Pineda, 6/28/64, Plant 2 Welders.
Ronald Torxtell, 6/30/64, Plant 5 Millwrights.

20 Years

Donna Rompf, 6/1/69, Data Processing.
Lonnie E. Robinett, Jr., 6/2/69, 46-Inch Mill.
Javier Z. Saucedo, 6/3/69, Nail Department.
Max R. Alvarez, Jr., 6/3/69, 12-Inch Mill.
William J. Madding, 6/3/69, Billet Caster.
Gerald E. Johnson, Jr., 6/5/69, Plant 5 Inspection.
Marvin B. Heppler, 6/6/69, Conditioning.
Gaudalupe Miniell, 6/8/69, 46-Inch Mill.
Lloyd S. Gilbert, 6/8/69, 46-Inch Mill.
James K. Olson, 6/9/69, Rock Falls Millwrights.
Michael C. Dennis, 6/9/69, Electric Furnace.
Steve K. Snitchler, 6/9/69, 14-Inch Mill.
Timothy D. Ricketts, 6/10/69, Electric Furnace.
Darrel W. Christian, 6/14/69, Scrap Yard.
Michael A. Preston, 6/23/69, Wire Products Sales Division.

Kevin D. VanZuiden, 6/26/69, 46-Inch Mill.
Sandra Kay Miller, 6/23/69, Rate Analyst, Transportation Services.
Angel L. Montanez, 6/30/69, Wire Mill Shipping.
James E. Halsne, 6/30/69, Plant 2 Electrical.
Jerald E. Dir, 6/30/69, 46-Inch Mill.
Leapoldo G. Cuevas, 6/30/69, Machine Shop.
Rojerio C. Cantu, 6/30/69, Plants 1 & 5 Packaging.

15 Years

Daniel F. Dugal, Sr., 6/3/74, 12-Inch Mill.
Evan L. Diedrich, 6/3/74, 14-Inch Mill Shipping.
Leland J. Fenney, 6/3/74, Over the Road Truck Driver.
Ronald G. Hulteen, 6/3/74, Wire Mill Machine Shop.
Marlon K. Adams, 6/4/74, Electric Furnaces.
Edward L. Milligan, 6/4/74, 12-Inch Finishing-Bars.
Gary D. Warner, 6/10/74, Roll Shop.
Mark E. Ellis, 6/10/74, 12-Inch Mill.
Dennis L. Vancil, 6/12/74, Trucks.
Dale M. Howard, 6/17/74, Plant 2 Machine Shop.
David W. McLaren, 6/17/74, Plant 2 Electric.

Raymond Martinez, Jr., 6/17/74, 14-Inch Mill Shipping.
Vernon W. Myers, 6/17/74, 12-Inch Mill Finishing-Bars.
James E. Werland, 6/18/74, Electric Furnaces.
Charles J. Devers, 6/18/74, Nail Department.
John E. Lewis, 6/20/74, Field Fence.
Raymond H. Mueller, 6/24/74, Guards.
Rudolph M. Hahn, 6/24/74, Over the Road Truck Driver.
Pete D. Dunn, 6/25/74, Roll Shop.
Steven W. Peska, 6/25/74, 14-Inch Mill Finishing.
Bernard L. Spurr, 6/30/74, Security.

10 Years

Daniel I. Miles, 6/1/79, Electric Furnaces.
Anne M. Hungerford, 6/11/79, Data Processing.
Richard D. Burkholder, 6/18/79, Over the Road Truck Driver.

5 Years

Don L. Ziegler, 6/14/84, Nail Department.
James W. Pitts, 6/26/84, Mats.
John A. Kastner, 6/29/84, Wire Mill Drawing.

Fumes and smoke potential health hazard

Eliminating smoke and fumes from the Weld and Machine Shops would improve productivity and reduce worker health problems, concludes Engineering and Support Team No. 3's Quality Improvement Program presentation.

The year-long study recommends the installation of fans and louvers, construction of a wall between the shops with a sucker pipe and top, and repositioning of the Shop's heaters.

The team included co-leaders Wayne Hendryx and Alan Burkett, co-recorders Robert Wadsorth and William Eberly, and members Larry Ege, Jerry Fry, John Kelly, Arnold Myers, Robert Mundt, Larry White and Clyde Wentling.

The study explained workers in both Shops have complained for several years about the smoke and fumes, but attempts to correct the situation have ended with "minimal results."

"Employees are more productive when working in a clean environment versus working in an area full of smoke and fumes," the study noted.

"The Company recognizes that by cleaning up the work area now, we could prevent future health problems that usually result in lost time from work and a big cost to the Company," the study adds.

NSW spent \$11.9 million in 1988 for health care and \$5.4 million on Workman's Compensation, according to EST No. 3.

The team pointed out insuring employee/owners' health last year cost \$11.79 per ton of steel shipped.

Seven causes identified

The study found seven possible



Members of the Engineering and Support Team No. 3 discuss ways to eliminate smoke and fumes during their presentation. Recommendations included installation of louvers and fans in the Weld and Machine Shops.

causes of the problem, including ventilation from the wrong end of the building, lack of ventilation, having two shops in the same building, cross-ventilation and keeping the Machine Shop warmer than the Weld Shop.

Furthermore, too many people working in the same area and the fact that the existing wall between the two shops only stretches halfway across the building aggravate the problem, according to the Team.

Four solutions recommended

First, the Team recommended that heaters in the Machine Shop be turned to circulate warm air east to the Weld Shop to balance the building temperature.

Construction of a 12- or 14-foot wall between the two shops would help alleviate the problem, the report states.

Thirdly, a smoke sucker pipe should be installed on top of the new wall, connected to an existing blower south of the shop.

Fans, according to the fourth recommendation, should be installed on the north and south walls about 12 feet from the floor and 10 feet east of the wall.

By the time the presentation was made on March 27, half of the wall dividing the two shops had been installed, along with the proposed

Borrowing by ESOPs hit peak

Employee stock ownership plans borrowed a record \$6.5 billion in 1988, up from \$5.5 billion in 1987 and \$1.2 billion in 1986, according to the National Center for Employee Ownership, an Oakland, California-based information and research organization.

During 1988, there were about 50 leveraged ESOP transactions of \$10 million or more, compared with 25 in 1987. ESOP borrowing in 1987 was concentrated in two transactions of \$1.7 billion each - Avis Inc., Garden City, New York, and HealthTrust Inc., Nashville, Tennessee.

In contrast, the largest 1988 transactions were J.C. Penney Co., Inc., Dallas, \$700 million; Ralston Purina Co., St. Louis, \$500 million; Texaco Inc., White Plains, New York, \$500 million; EPIC Healthcare Inc., Irving, Texas, \$400 million; and Charter

smoke sucker pipe and the fan on the south wall.

"The savings to the company can't be determined," the report says, "but we do know with the increased health care costs, just one person becoming ill and requiring hospitalization would more than pay for our recommended solution."

Medical Corp., Macon, Georgia, \$375 million.

Nearly 10 million employees covered

There are now more than 9,500 ESOPs covering nearly 10 million employees and controlling about \$30 billion of assets, the center estimated. "The majority of the assets likely are in leveraged plans because they are so much larger than others," said Corey Rosen, executive director. Of the total number of ESOPs, between 40% and 50% borrow money at some time; others are funded by direct contributions from the employer.

"Leveraged ESOPs growth is attributable to merger and acquisition activity, tax incentives, the secondary market for ESOP loans, and companies' desire to enhance productivity through employee ownership," Rosen said.

The center compiles its figures by tracking ESOP transactions of more than \$10 million, which account for about 80% of the dollar volume. Dollar totals for smaller transactions are estimated.

Source: *Pensions & Investment Age*, April 17.



Big Bear Farm Stores, Inc., a 48-store chain serving rural communities in five states. The company purchases about 2,000 tons of fencing products from NSW annually.

Customer of the month

Big Bear bullish on NSW

Big Bear Farm Stores Inc. is bullish on Northwestern Steel and Wire Company.

"We've done business with NSW for over 30 years," said Frank Freund, Big Bear's Director of Marketing. "They've been a solid supplier."

On-time delivery has been a major factor. "NSW has not only offered timely delivery, they've also kept us competitive," Freund added.

Freund said Big Bear buys about 2,000 tons of fencing products from NSW each year, including barbed wire, feedlot fence panels, lawn and garden fencing, tot and lot fence, welded fabric, fence posts and nails.

NSW is award-winner

Jim Treacy, Assistant Manager of Sales for NSW's Wire Division, pointed out that NSW recently received Big Bear's "Key Vendor" award for supplying the Midwestern chain with more than \$1 million worth of products in 1988. "NSW is our only fence supplier," Freund said.

Big Bear was founded over 30 years ago in St. Cloud, Minnesota, and still maintains a store and its headquarters in that city of 40,000. About 300 are employed at the company.

Freund described the firm today as a 48-store chain headed by Jerry Hammerel, President, serving rural communities in Minnesota, Iowa, Wisconsin, Missouri and Illinois. Most of the stores are located in county seats. St. Cloud is one of the largest cities Big Bear serves, followed by

such cities as Burlington, Mason City and Ames in Iowa and Eau Claire, Wisconsin.

Variety of products sold

Big Bear is a "general retailer," Freund added, selling not only farm supplies and hardware, but also automotive supplies, paint, clothing and household goods.

Big Bear maintains distribution centers in Ottumwa, Iowa and St. Cloud, Minnesota. Distribution of NSW products is made from the Big Bear warehouses, as well as by direct shipment from NSW to the various stores.

NSW's Inside Salesmen serving the account are Mike Dunn and Al Lopez, while Duane Goetsch is the territorial salesman calling on the account. Jim Treacy is also in frequent contact with the firm.



Teamsters join QIP/LMPT program

A new QIP team composed of Northwestern Steel and Wire Teamsters and Steelworkers from the Scale House is now being formed, according to QIP/LMPT Manager Larry Miller.

At an April 15th Teamster/Management productivity meeting, Teamster representatives unanimously agreed to participate.

The new group marks the first time Teamster members have been involved in the QIP/LMPT program. "It is going to be a new experience for us," Miller said. "They were very enthusiastic about becoming part of the process."

Craig DeWitt, Leased Fleet Super-

visor, said about 67 Drivers and Hostlers are members of the Teamsters. A memo was sent April 23 requesting volunteers for the group. "We have already received a few responses," DeWitt said, adding that a minimum of eight is needed to form the group.

A training session will be conducted after the team roster is finalized.

Teamster representatives attending the April meeting include Robert Wrolson, Johnnie Leopard, Frank Leisner, R.G. Lathrop, and Allen Humphrey, while Assistant Manager of Transportation Services Dave Hadley, Miller, and DeWitt presented information on the QIP process.

Tips from a pro Telephone training seminar

Inside Sales personnel for Northwestern Steel and Wire Company learned tips from a telephone sales professional when Peg Fisher tailored a special training seminar for NSW.

About 18 employee/owners, including salespeople, management, and sales support staff, attended the one-day, tailor-made session on April 1st.

Fisher, a professor at the University of Wisconsin, Madison, and owner of Peg Fisher and Associates, Inc., specializes in telephone sales.

Ray Bauer, Assistant Manager of Sales, Steel Division, said the purpose of the seminar was to give Inside Salespeople professional selling skills training and to explore the present NSW telephone selling program.

"The inside selling program involves a lot of customer service," Bauer said.

"The primary purpose of the Inside Salesperson is to get an order, but as a result, the program also zeroed in on

how to better service customers and generate more profits," he added.

Topics included preparation for telephone selling, basic etiquette for handling people on the telephone, and steps in the selling process.

The multi-media presentation, which included slides, video, lectures, and participant interaction, also focused on honing selling skills.

The Sales personnel were trained to ask probing questions and to remind customers of special NSW features and benefits derived from doing business with Northwestern. They also learned ways to deal with objections, handle paperwork, keep customer information records, and initiate and make follow-up sales calls.

"The seminar is one further step to improve the professionalism of the NSW Inside Sales Staff," Bauer said. He added that the training will continue as the Division utilizes the workbooks each participant in the seminar received.



Steel Division Inside Salesmen listen intently during a telephone selling techniques seminar.

Steel Service Center executives meet with NSW management

Andrew Sharkey, President of the Steel Service Center Institute, Cleveland, Ohio, together with executives of six Steel Service Centers located throughout the United States, all members of the SSCI Executive Committee, recently visited Sterling to meet with members of Northwestern's management. The SSCI meets on a regular basis with executives of various steel firms for discussion of subjects of importance to both.

SSCI executives attending the meeting represented two of the three largest Steel Service Centers in the country: John B. Foster, President of Joseph T. Ryerson & Son of Chicago, the largest Steel Service Center in the country, and Jim Wall, President of O'Neal Steel, Birmingham, Alabama, the third largest in the United States.

Other SSCI members at the meeting were: Robert J. Applebaum, Operations Manager of Consumer Steel Products Co., Cleveland, Ohio; Eugene C. Comfort, Vice President and Treasurer of Pacific Metal Co., Portland, Oregon; David N. Deinzer, President of Denman & Davis of Clifton, New Jersey; and James S. Todd, President of the Cincinnati Steel Products Co., Cincinnati, Ohio.

Discussion at the meeting focused on service center/supplier relationships, zeroing in on questions such as "What does Northwestern consider to be a good order?"

Executives from Northwestern who participated in the meeting and discussion included Robert M. Wilthew, President and CEO; Jerry Shinville, Manager of Quality

Assurance; Jim Galloway, Manager-PCIC; Ed Maris, Vice President of Finance; Bob Martin, Vice President of Purchasing; Vern Johnson, Manager of Sales, Steel Division; and Chuck Biermann, Vice President of Steel Division Sales. Some of the subjects covered during the luncheon meeting included:

- What products or product mix constitutes a good order from the standpoint of the producer?
- What items and/or order size is ideal for most profitable shipping?
- What is an ideal lead time for order entry?
- How can communications be improved?

Topics also discussed during the meeting were electronic data interchange, service center practices that are in conflict with mill operating profit goals, capital expenditures, research and development efforts, and the assessment of current business conditions.

Since over 70% of Northwestern's Steel Division sales are made to Steel Service Centers, these meetings are extremely important, and this particular meeting proved to be a very productive and fruitful session.

The exchange of opinions and ideas to better improve service center/producer relationships will be discussed by this Mill Relations Group at the next Annual Meeting of the Steel Service Center Institute to be held this month.



Security Guard Delores Estes prepares to walk the beat. Estes is Northwestern's first female Security Guard.

A first at NSW Female Security Guard on duty

The job is the same - making rounds and answering report-off phones. The training is also the same, including CPR, first-aid, and fire training.

The uniform, too, is identical, but when Delores Estes began working January 30th, she made NSW history as the first female Security Guard.

Bruce Stevens, Chief Supervisor of Security, admitted a few of the men were skeptical when Estes first donned her uniform and began working. That was quickly overcome, though, as Estes proved she is capable of handling the job.

And, Estes says, that's really the important thing. "Male or female, they have to do the job," she said.

Security employs 20 Guards and three Sergeants, Stevens said. He added that since Estes started, he has had several inquiries from other women interested in the position, though no full-time jobs are available at present.

Another ESOP in action

Weirton improvements approved

Weirton Steel Corporation employee/owners demonstrated their concern for the future of their plant recently by approving a \$650 million capital improvements plan.

The 6,700 members of the Independent Steelworkers Union at Weirton Steel agreed to a reduction in profit-sharing to pay for the renovations, which will make the West Virginia steel mill a "world class" facility capable of competing in the world market far into the future.

The plan approved by the steelworkers will reduce profit-sharing from 50% to 35% of income beginning in 1989.

Like Northwestern Steel and Wire Company, Weirton Steel is operated under an ESOP agreement, making its

employees stockholders who have a say in major changes.

Herbert Elish Chairman and President of the company said the capital improvements plan emphasizes new technology. The continuous slab caster will be renovated for 100% cast capability, and the hot mill will be refurbished.

Furthermore, Weirton Steel plans to consider implementing an underwritten public offering of up to 1.5 million shares of stock, about 23% of the company's common stock, later this year. Employee/owners would have the option of selling their stock if it is offered on the open market.

Security guards join team training

Twelve Security Guards participated in a three-day training session in March as part of NSW's Quality Improvement Program, according to Manager of Training and Development Frank Rausa.

The group, which chose the name "Right Guards," is the 42nd team to participate in the training, according to Larry Miller, Manager of Quality Improvement and LMPT. "This was the first time the training was offered to the Security Division," he said.

The training includes communication and listening skills, and team dynamics are maintained following the three-day session by regularly scheduled team meetings. Merle

Heckman, Wire Products Division, serves as their facilitator.

The Security Guards met twice in March and maintained a 76% attendance record. "The group jelled and should make a great team," Miller reported.

The NSW team training program began in 1985, and the goal is to have 50 teams in action. The 43rd team is currently being trained.

Following the training period, each team is given a problem to work on in coordination with the Steering Committee. Through the process, team members find solutions to problems in the workplace and hone problem-solving skills.

NSW retirees take their turn

Everything and everyone has a season; a time to turn from everyday labors to the golden years of retirement.

On May 1, several Northwestern Steel and Wire Company employee/owners took their turns to step away from the Company, retiring after years of dedication to the Company.

The *Owners Manual* congratulates these retirees and wishes them well in their future endeavors.

41 Years

Raymond Schutt, Jr., Nail Room, machinist.

30 Years

Gutberto Salinas, Plant 3 Shipping.
Bobby Greeno, Mats.
Dean T. Pyse, Electric Furnace Maintenance.
James Gray, Plant 3 Pipe Shop.

25 Years

Santos Chavez, Casters.

24 Years

Lucio Sotelo, Casters.

23 Years

Sherman Frederick, Drawing Room.

19 Years

Donald E. Cole, Carpenter Shop.

16 Years

William Deter, Galvanizer.

Savings could total \$8,000

Rolling mills need new wiring

The intercom systems in the Rolling Mills at Northwestern Steel and Wire Company need to be rewired, according to a Quality Improvement Program recently completed by Engineering and Support Team No. 2.

The QIP was launched because lack of diagrams for the wiring in the 12-, 14- and 24-Inch Mills has caused repair crews to spend an excessive amount of time tracing wiring to repair the system.

The EST also recommended NSW repair the aging wiring system, as downtime allows.

The team included co-leaders Cled Yochum and Ken Hait, co-recorders Mike Hughes and Ruben Moreno, and members Dick Williams, Mike Lubbs, Bill Scott, Steve Bell, Jerry Bauer and Dan Anderson.

The problems studied by the team included old and bad wiring, obsolete amplifiers, exposed wiring, unmarked junction boxes, too many splices, dead-end wiring and intercom wiring in the same conduit as high-voltage wires.

Pilot study completed

A pilot project was completed at the Company's 24-Inch Mill, tracing and documenting the intercom wiring at a cost of about \$1,200. The EST recommended similar work be done at the 12- and 14-Inch Mills.

"The team recommended that time be allocated for replacing the bad wiring at the Mill by electronics people when Mill time permits," the study states.

The study also recommended several improvements to the present intercom wiring system, such as

replacing tube-type amplifiers with modern solid-state amplifiers.

The benefits to NSW would include, according to the study, "better communications, less communications downtime, more reliable and serviceable equipment, resulting in less maintenance costs."

Downtime reduced

The team could not come up with a firm estimate of the dollar savings to NSW which could be realized, but estimated the improvements would cut in half the 32 hours of downtime per year caused by the intercom wiring problems. Four hours of production is lost each year due to intercom problem, the team added, and implementation of the recommendations would reduce lost production time to two hours annually.

The result could be a savings of about \$8,000 per year.

Dollars and Sense Seminar booklet being edited

The day-long Dollars and Sense seminars, during which a substantial number of NSW employee/owners learned about issues that affect the business of the Company, have now been concluded.

However, the booklet originally distributed to employee/owners is now being updated and expanded to include many of the questions asked during the seminars.

As soon as the revised booklet is completed, it will again be distributed to all employee/owners.

Steel users rap extended quota demands

Arguing that protecting the steel industry at the expense of the rest of the U.S. economy will make the nation less competitive in world markets, steel-consuming firms recently attacked the steelmaker's demand for extended import quotas.

"In the 1990s, the U.S. is going to have to compete in world markets. If it is to do so, it cannot have a steel policy that makes U.S. steel users noncompetitive and ignores the needs of the rest of the U.S. economy," declared Paul London, an economist representing the Coalition of American Steel-Using Manufacturers.

Steel import restrictions will

result in higher steel prices and reduced U.S. exports of manufactured goods, he added.

Industry and steel labor officials squared off on Capital Hill against London and other import quota critics in a debate sponsored by the Northeast-Midwest Congressional Coalition.

The current Voluntary Restraint Agreements limiting steel imports to about 20% of the U.S. market expire later this year.

The steel industry and the United Steelworkers Union want the restraints renewed for five years and expanded to cover additional steel-producing nations. Legislation to renew the quotas is pending on Capital Hill.

Northwestern Steel and Wire Company
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Sterling, Illinois 61081

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