

HOUSTON HAPPENS!

The Owners Manual

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

July, 1989

Purchase okayed

It's official - purchase of 182 acres of the 770-acre former Armco, Inc. structural mill in Houston is now complete. The event was heralded by news conferences in Sterling and Houston on June 22.

"This important growth step for our Company has been in the works since early 1986 when we first began evaluating the Houston facility," President and CEO Robert M. Wilthew said. "We're extremely pleased that we have been able to finalize the paperwork for this important project."

Purchase of the Houston facility will allow Northwestern to expand its current product range, extend the market base, and make the Company the largest wide flange beam supplier in the United States. "The purchase will improve Northwestern's flexibility to serve the market and increase our competitiveness," Wilthew said.

Northwestern now casts up to 18-inch beams, and the Houston project will enable the Company to produce a wide flange beam range from 6-inches to 27-inches. "The new facility will greatly enhance Northwestern's competitive position in the wide flange beam market," Wilthew said. Wide flange beams are largely

used in construction applications such as commercial and manufacturing buildings including high-rise buildings, bridges and the foundations for such structures.

Wilthew said NSW will operate the mill at an annual capacity of 600,000 tons of wide flange beam products. He added that the plant is capable of producing nearly 1 million tons of product that will complement Northwestern's existing facility in Sterling. "The acquisition will produce a 250% product volume increase at 1/3 the normal capital costs," Wilthew said. "In addition, Houston will allow Northwestern to expand its product line by 150%, opening markets that were previously closed to us."

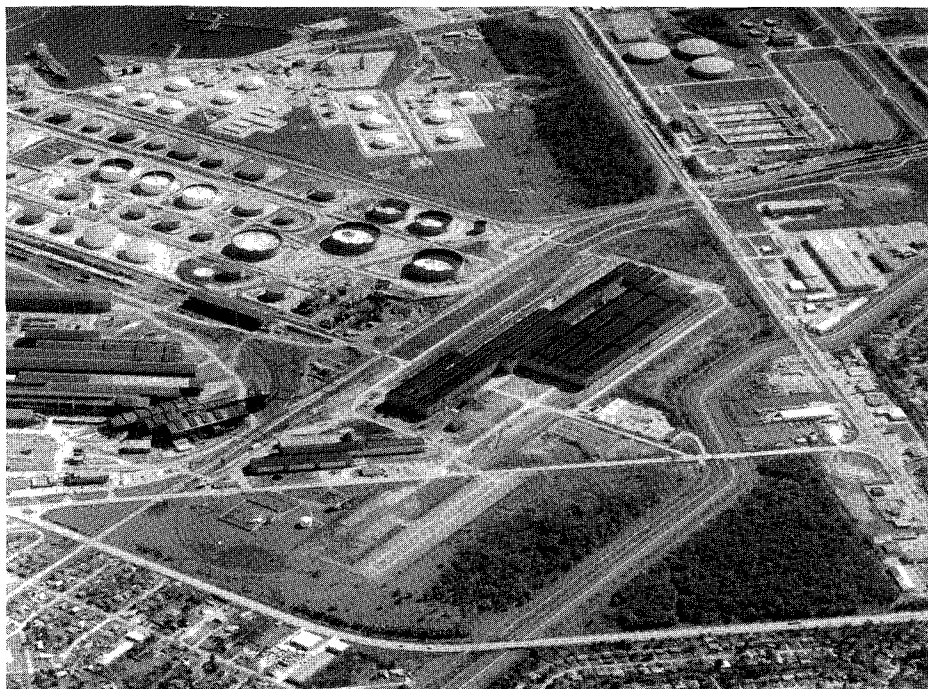
The combined range of both facilities will enable the Company to serve 80% of the U.S. wide flange beam requirements and nearly 40% of the world requirements in terms of beam size and weight capabilities. According to the marketing plan, the small (6" to 18"), lightweight (less than 60 lb. /ft.) beams will be produced at Northwestern's Sterling facilities and the jumbo beams (8" to 27"), heavyweight (up to 300 lb/ft.) will be produced at the Houston site.

Sales goal is \$1 billion

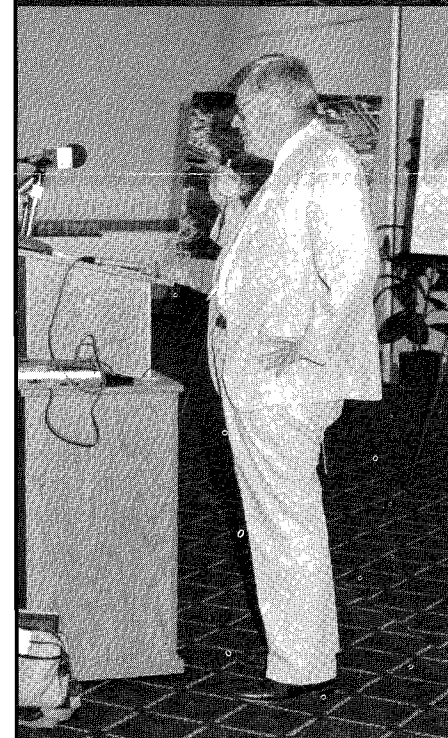
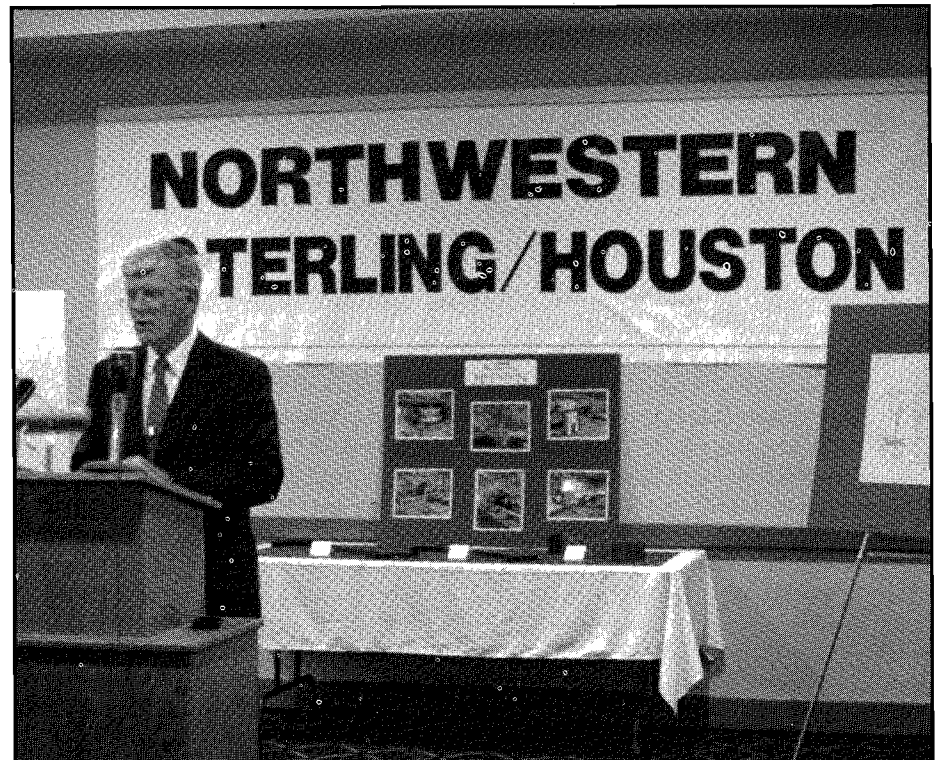
Northwestern Steel and Wire's initial year as an ESOP company is rapidly coming to a highly successful conclusion. "We have had an outstanding year and the performance of our employee/owners has been exceptional," said President and CEO Robert M. Wilthew. He added that Northwestern will end the current fiscal year with approximately \$525 million in sales and production of nearly 1.6 million tons of steel and wire.

However, the end of the current

fiscal year marks the beginning of great things to come. At a recent meeting of the Sterling Chamber of Commerce and Industry, Wilthew predicted the Company will be making \$1 billion in annual sales within the next few years, in part due to the Houston acquisition. According to Wilthew, the increase will come as a result of a more aggressive sales division, increased cooperation among NSW's employee/owners and planned expansion into new steel markets.



Aerial view of the former Armco Steel rolling mill in Houston, Texas. Northwestern's purchase of 182 acres of the 770-acre facility will allow the Company to enhance its competitive position in the wide flange beam market.



VIPs applaud Northwestern's Houston venture

Northwestern Steel and Wire Company President and CEO Robert M. Wilthew announces the Company's purchase of the former Armco Inc. structural mill in Houston, Texas at a news conference June 22nd (see photo above). William Durham, Mayor of Sterling, congratulates NSW on the purchase of the Houston facility (see photo, left).

Houston opening is slated for mid-1990

According to Wilthew, renovation of the Houston facility will require about ten months. "It should be fully operational by mid-1990," he said. Improvements to the structural mill, which has been closed since 1982, are expected to cost about \$60 million.

"It is our intention to build upon the many positive aspects of the Houston rolling mill," Wilthew said. "For start-up purposes, we plan to roll from a current semi-finished beam blank produced in Sterling. The availability of this beam blank will allow the start-up and learning curve to begin at the end of the rolling mill modernization."

Upgrading of the existing Houston facilities will include the addition of two new computers for the wide flange mill, installation of two computer numerical control Roll Shop lathes to add roll turning capability to

the wide flange facility, installation of an additional 78" sliding cold saw in the finishing facilities, and a railroad scale in the shipping bay to weigh rail shipments.

Concurrently, a new \$30 million jumbo beam blank caster will be constructed at the Sterling facilities, thereby allowing Northwestern to take advantage of the electric furnace steelmaking capacity of 2.4 million tons of liquid steel (current production capabilities on the three existing rolling mills can consume only 1.5 million tons of the annual furnace melt of 2.4 million tons). The new caster will supply the jumbo cast sections to produce the larger finished wide flange beam.

Refurbishing of the Houston facility will mean creation of about 200 new jobs at the 1990 opening and hiring is expected to begin in late 1989.

Viewpoint



"You bet. I think it is the most important company in the Sterling and Rock Falls community."

Hilmer Rothe
Strand Caster

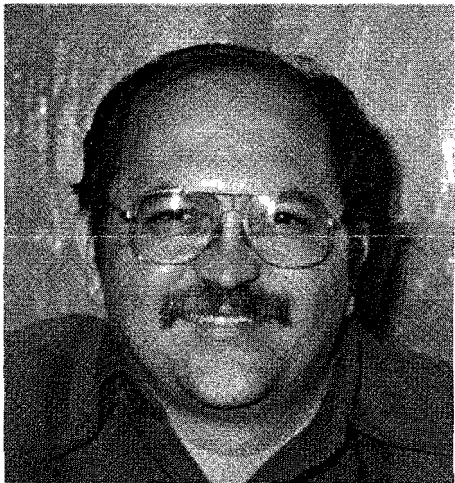
"Is what the community thinks about NSW important to you? Why or why not?"

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.



"I believe it is important. We are one of the major employers in the area. If we stay strong in production everyone at the plant and the community will benefit."

Bill Eberly
Machinist



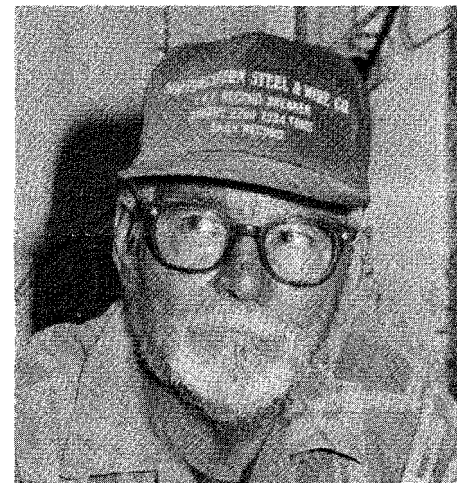
"It is always important for the factory to have a good image in the community. You have more pride going to work when the community has a good feeling about the Company."

Dave Allen
Brick Mason
14-Inch Mill



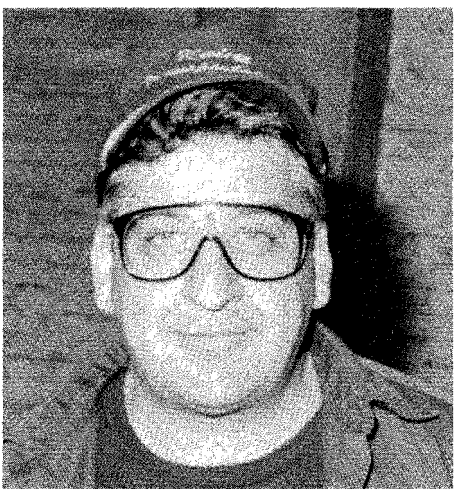
"Yes. I think what the community thinks is important. The people that don't work at the mill criticize the mill workers and think we make too much money. I don't think that is fair because they don't understand the kind of work that these people do. They risk their lives every time they walk in the door."

Dee Estes
Guard



"In a way it is important to me but it has gotten to the point that the media has expressed viewpoints that I don't think they have the right to. We have a contract — we do the negotiating down here — not out in public. I didn't like that one bit."

Eldon Pursell
Mobile Equipment



"NSW is the biggest employer in the community. It is also one of the most important. As long as people know what we sell and what we do here it is important."

Marv Miller
Loader
East Plant Shipping



"Sure it is. The Company needs to be a citizen of the community for the mutual benefit of everyone involved. The community depends on the success of NSW because many of them work here. We need to take a leading role in community responsibility."

Don Anderson
Manager
Industrial Engineering



"It is important because a lot of businesses and schools depend on NSW. There are a lot of us that still have pride in Northwestern Steel and Wire. We both have to work together to make this a stronger community."

John Sotelo
Electrician
Plant 4

New system suggested

QIP nails down better ventilation

Ventilation needs to be improved in the Nail Cutting Department at Northwestern Steel and Wire Company, according to a Quality Improvement Program presentation recently made by Nail Team No. 3.

The presentation recommends installation of a new ventilation system in a portion of the Nail Cut basement, placement of fans to improve air flow, and removal of debris and unusable materials. A housekeeping procedure for the department was also recommended.

The QIP team included co-leaders Don Berkeley and Greg Brooks, recorder Beryl Mabrey, and members Lyle Davis, Bill Schwab, Mike Modler, and Don Shehorn. The Team Facilitator is Lanny Munz.

"Improper use of general ventilation techniques is one of the most vexing problems encountered in industrial installations," explains the report's Problem Statement.

Lime dust hazardous

The report cites 24 problems caused by improper ventilation, including lime dust breathed in by workers, lower production, poor morale, machine malfunction, lack of maintenance and heat exhaustion.

The ventilation problem is aggravated by helpers who leave the lids off lime barrels, according to the report. The barrels sit in an area near the windows off the river addition, and gusts of wind off the river blow lime and drawing compound in the air.

"We recommend that employee/owners be trained to keep the lids on the barrels," the report states. Lime dust "is and has been a big problem for employee/owners who have to work under these conditions."

The report also points out that temperatures in one poorly-ventilated corner of the Nail Cut Department sometimes reach 140 degrees in the summer.

Clean-up recommended

"Junk hanging from ceilings" creates other hazards. These materials include extra piping, electrical boxes, conduit and metal plates. The team recommended the debris be removed from the department on a continual basis until the area is cleaned up.

The ventilation system recommended by the team was designed by John A. Loos, Inc., with a proposed cost of \$13,000 for the stack system and two exhaust fans.

The team was unable to place a dollar amount on the benefits to the Company, but the bottom line would be fewer accidents, greater production, and less downtime.

Did you know?

NSW is currently considered the twelfth largest steel producer in the country?

Countdown to good health

Get the drop on cholesterol

Cholesterol is one of the fat-like nutrients transported in the blood, and its healthy uses include building cell walls and making hormones. The body produces its own cholesterol, but when too much cholesterol or saturated fat such as that found in red meat or dairy products is eaten, the walls of the coronary arteries, which supply blood to the heart, can become clogged.

When this happens, that part of the heart muscle does not get the nutrients and oxygen it needs, and it dies. The result can be chest pains (angina), a heart attack, or even sudden death.

Cholesterol can usually be controlled by controlling diet. But changing eating patterns doesn't mean saying goodbye forever to goodies such as steak, eggs and ice cream. It does mean significantly reducing the amounts of these items consumed and finding healthy substitutes such as poultry (skin removed) or fish. If your cholesterol level has not decreased sufficiently after six months of careful diet, medications can be prescribed by a physician.

Here are some tips to keep you health-wise and heart-smart:

Read food labels. They don't always give the amounts of fats in foods, but they do show you what ingredients are used. And don't believe that "cholesterol-free" on the label means it's good for you. Many products with no dietary cholesterol are

filled with saturated fat.

Reduce daily intake of saturated fats. The American Heart Association recommends that no more than 10% of your daily calories should come from saturated fats (e.g., meat fat, butter, cream and shortening as well as oils such as coconut and palm). Switch to poly-or monounsaturated fats such as safflower, sunflower, corn, olive or peanut oils.

Eat out with caution. Look for restaurants that have low-fat options on the menu; order broiled, baked, or poached foods with sauces on the side. Ask for skim milk, margarine, and cole slaw instead of french fries.

Avoid so-called "fast foods." Burgers and fries may taste good, but they're notoriously high in cholesterol and fat. In fact, many of the younger NSW employee/owners who recorded cholesterol levels above 240 in the recent cholesterol testing by Community General Hospital admitted that "fast foods" are a diet staple.

Stop Smoking. The fact that cigarettes don't qualify as food doesn't reduce the possible harm; smoking is a major risk factor in the development of heart disease, as is an elevated cholesterol level.

In the U.S. a heart attack occurs every minute; half of these attacks are fatal. It makes sense, then, to be aware of the risk factors and take action now to prevent increased susceptibility to the nation's number one killer, heart disease.



Tony Fiorini, an NSW Chemist, is on a roll during a recent bike race. Fiorini, who has competed for about 13 years, has won a number of medals.

Cyclist wheeling over competition

Necessity, it is said, is the mother of invention. Tony Fiorini, a Chemist in the West Plant, is living proof; what began as a necessity more than twelve years ago has transformed him into a world-class athlete.

Fiorini began riding a bicycle as a means of transportation to college. Spotted by area cycling enthusiasts, he soon became a member of the United States Cycling Federation and began a highly successful career as a road racer, often racking up 250 to 350 miles weekly.

On May 21st, Fiorini teamed with Mike Ehredt, a Sterling mail carrier, in the Kewanee Biathlon. Ehredt ran a three-mile course, after which Fiorini covered the 23-mile cycling route in 53:36, averaging about 26 miles per hour. Their combined total of about one hour and 10 minutes garnered the duo first-place honors among over 200 entrants.

On a roll

On June 4th, Fiorini wheeled to a 5th place finish in the State Championships, covering the 40-kilometer course in 58:20 despite riding with broken handlebars. Fiorini then bested that effort by rolling in 4th in a Cedarville race June 11th.

Although he races alongside Olympic hopefuls, Fiorini has opted, at age 37, to compete in the Masters division for racers 30 and over. To qualify for the U.S. National Team – and an Olympics berth – means Fiorini would be pitted against much younger bikers, most of whom are able to make the necessary commitment to long training hours on the road.

His chosen sport does have its downturns, however. "There was a very large crash at Cedarville where about 20 riders went down," Fiorini said. But despite 13 years of riding, Fiorini has so far escaped serious injury. "I've had some falls and burns but no broken bones," he said, adding that he's fallen only five times in his racing career.

Although many competitors would be content with the laurels he has already amassed, Fiorini isn't about to rest. On June 13th, in his first attempt at track racing, Fiorini took a Bronze medal in the one-kilometer race and became the Illinois State Champion by zipping to first place in the 3,000 meter competition.

Owners Manual congratulates Fiorini on his outstanding accomplishments and wishes him continued success in the future.

Northwestern test results in

Cholesterol alert!

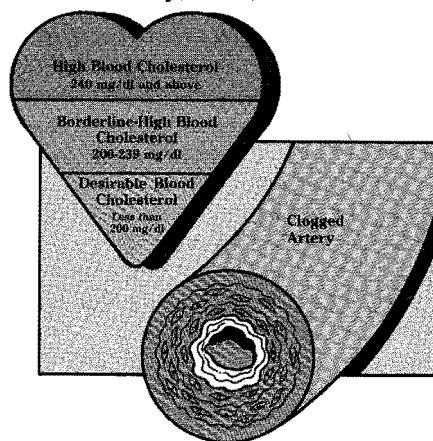
More than half of all Americans have cholesterol levels above 200, which puts them at greater risk for heart disease. Results of recent tests indicate that Northwestern Steel and Wire mirrors the national statistics.

May cholesterol testing of 1,203 employee/owners revealed that 738, or 61.3%, have cholesterol levels above the 200 mark, according to Elizabeth Riley, R.N., who directed

the testing program for Community General Hospital.

Only 465 employee/owners, or 38.7% of those tested, had scores below 200, putting them in the "desirable" range. Another 419, or 34.8% were "borderline high" with levels from 200 to 239; while 319, or 26.5% were found to have "high" levels of 240 and above.

The purpose of the May testing program, Riley said, was "to heighten awareness for watching diet and the need for changing dietary habits." She cautioned, however, that employee/owners who tested high should not panic and run immediately to the doctor. Rather, she suggested that they follow guidelines for dietary change for a period of up to six months and then be retested; for most people, dietary changes are all that are needed. However, if cholesterol levels do not significantly decrease after the six-month period, medication may be prescribed by a physician.



Cleaning House cleans house

Increased production demands on the Plant No. 1 Cleaning House in recent months have created the need for a plan that will expand the system's capacity by 30%. Employee/owners from all areas of production and maintenance have been holding meetings in an effort to pool ideas and suggestions so that the project can be carried out quickly and efficiently.

The first step of the project is to replace existing steel piping in the cooling system with PVC pipe, since past corrosion has contaminated the coolant. Also, a third 75,000 ton chiller will be added outside the south side of the building. Once the chiller is operational, the two existing chiller units will be relocated outside at the same location—an environment that is more conducive to all the units.

The final step of the project includes adding two immersion cooling coils in the regeneration systems, which will speed up formation of iron sulfate crystals and the return of clean sulfuric acid to the pickling process. Plant No. 1 Pipefitter Curt Repass, together with fellow employee/owners Jerry Fullmer and Artie Mendoza were primarily responsible for the piping changes and modifications.

One such modification is a change in the bulkhead fittings on the regeneration cells. Repass recognized a need for an easier method of removing the immersion coils during repair operations, since the old method involved climbing inside the cell itself and disconnecting and reconnecting the coil. Repass modified the stainless steel blind flange to accept a bulkhead fitting and a quick disconnect coupling that allowed for easy removal from outside the cell; he also designed a tool that can be attached to the new coil for pulling it back into place.

Owners Manual commends the efforts of these employee/owners and recognizes that their accomplishments, as well as those of others, are a major part of Northwestern's continuing success.



Steel Division Facilitator Jack Wilson (left) guides members of Engineering and Support Team No. 1 as they resolve an Electric Furnace Department problem. Shown with Wilson are (l to r) Steel Division Facilitator Dick Card and team members Eldon Williams, William Hart, Ray Espinoza, Charles Hendrix, and Frank Norman.

Let there be light

Lackluster levels limit productivity

Lighting improvements costing only \$880 will make the Electric Furnace Department a safer place to work and save the Company \$5,148 annually, a study by Engineering and Support Team No. 1 concluded.

Team members include co-leaders Frank Norman and David Hurd, co-recorders William Hart and Eldon Williams, and Jim Downey, Bob Angier, Ray Espinoza, and Charles Hendrix. Jack Wilson serves as Facilitator.

Poor lighting, excess dirt, dust and extreme heat have created unsafe working conditions, the report states. Because of the lack of lights at the North end of the crane in this bay, Maintenance workers often must hold a light in one hand or have another worker hold a light. A light meter reading taken in the area during the 7-3 shift registered light levels "not sufficient to walk in, much less work in."

Also, team members concluded that accumulations of up to 12 inches of dirt and dust, often mixed with lime dust, pose a health hazard, and the extreme heat in the area can cause great stress over a period of time. Allowing these conditions to continue is "just

asking for an accident," the report cautioned.

To solve the problems, team members recommended mounting a light on the North end of big cage

cranes and two lights at service trolleys. Installation of the lights would result in less possibility of accidents, reduced downtime and better working conditions.

As time goes by

A number of Northwestern employee/owners will reach career benchmarks in August. Once again, *Owners Manual* is pleased to list the names of these longtime workers.

20 Years

Ronald Sharp, 8-9-69, Crane Mechanics

Gordon L. Fazzi, 8-10-69, 46" Mill
Daniel K. Olson, 8-11-69, Metal Inspection

Hilario Lopez, 8-11-69, Wire Galvanizer

Roy E. Klapprodt, 8-12-69, Continuous Caster/46" Mill

Wilmer J. Houck, 8-12-69, Crane Operator/46" Mill

Larry A. Hammelman, 8-13-69, Millwrights

Felipe J. Avelar, 8-14-69, Continuous Caster/46" Mill

Robert C. Rippeon, 8-14-69, Electric Furnace

Noel Winfield, 8-24-69, Roll Thread

Charles R. Stanfield, 8-25-69, Electric Furnace

Bruce A. Wright, 8-27-69, Electrical

Ivan E. Smith, 8-31-69, Guards

15 Years

Eugene L. Jacoby, 8-1-74, Safety Dept.

Frank Rausa, 8-12-74, Mgr. Training & Development

Christa B. Snyder, 8-15-74, Roll Thread

Jack W. Leathers, 8-16-74, 24" Mill
Adalberto R. Roman, 8-20-74, 24" Mill

Michael K. Kitzmiller, 8-21-74, 14" Shipping

Richard E. Hains, 8-21-74, Nail Department

10 Years

Susan M. Mullen, 8-20-79, General Works

5 Years

Sylvia J. Lane, 8-9-84, Nail Department

Jeff A. Billings, 8-12-84, Nail Department

Carl E. Bushar, 8-16-84, Nail Department

Pablo G. Vasquez, 8-23-84, Wire Mill Drawing

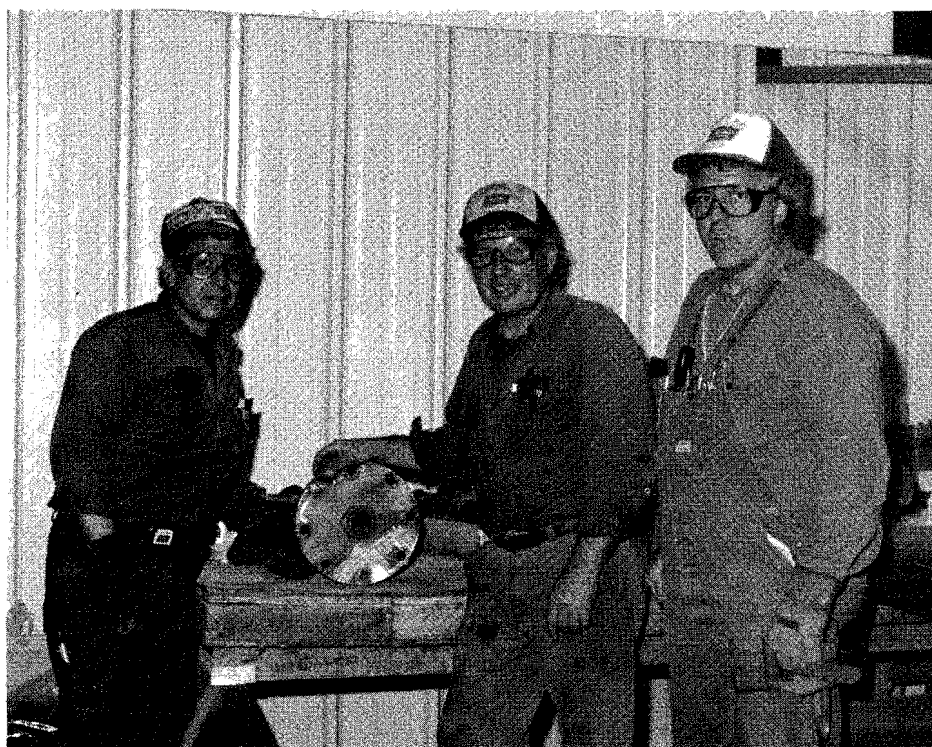
Edward A. Weeks, 8-25-84, Mats

Michael L. Cox, 8-26-84, Bale Tie

Coming next month

Handling hazardous materials was the subject of a special training session held for Northwestern Steel and Wire Company employee/owners. Emergency organization training for NSW employee/owners was also held.

Watch for these stories in the August and September issues of the *Owners Manual*.



Increased production demands have created the need to expand the Cleaning House system's capacity by 30%. Responsible for the majority of the piping changes and modifications were (from left) Artie Mendoza, Curt Repass and Jerry Fullmer.

Posters point to safety

Thirteen is not an unlucky number when it comes to safety posters, according to Northwestern Steel and Wire Company Safety Engineer Gene Jacoby.

In fact, thirteen is the number of "Safe Attitudes" posters recently posted around the plant.

"We want employees to think about better safety procedures both on the job and at home," Jacoby remarked.

The colorful posters depict safety hazards— "situations our people can identify with," he said. "All kinds of situations they may encounter on the

job or in their own homes."

Some are cartoons, some show children, and some depict family situations such as picnics; but whatever they show, Jacoby said, they're eye-catching.

The posters are mounted in frames; and while the frames will remain the same, the posters themselves will be changed weekly. The idea is to give NSW employee/owners something new to look at—something that's more likely to catch the eye than the same old stale poster they looked at last week.

Tops scale at 84,000 pounds

Tundish gains weight during relining

An NSW-owned tundish, shipped out for relining May 22nd, weighed in at 59,000 pounds and was probably the heaviest shipment ever to leave NSW according to Larry Mangan of the Transportation Department.

But after it was relined at ISA Manufacturing in Portage, Indiana, the tundish jumped up to 84,000 pounds. The tractor, trailer and load weighed an astounding 124,000 pounds when it rolled through the gates on the June 6th return trip.

By comparison, the usual maximum

load limit for trucks and their loads is 80,000 pounds on Illinois highways. The tundish shipment required special permits, according to Lloyd Beal, an agent for Marck Trucking in Lyndon who arranged the trip.

Beal said obtaining the permit was an arduous process. Highway officials required diagrams and the completion of a seemingly endless stream of official forms.

Mangan noted the tundish was shipped by truck because ISA Manufacturing does not have a rail siding. The

tundish left NSW on a 48-foot drop-deck trailer, Beal said. The load was 10 feet wide, making it an oversized load which required an escort bearing warning signs. A seventh axle and an air-ride system were also added to the trailer for the return trip, and travel was permitted only during daylight hours.

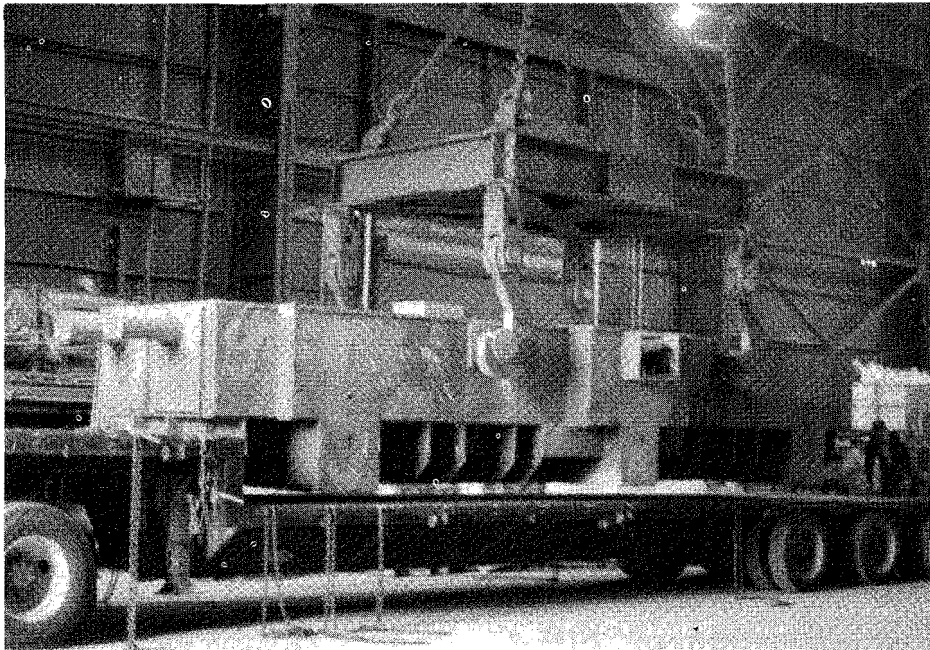
Remained on trailer for repairs

Once the tundish arrived at ISA for relining, the tundish never left the trailer because ISA had no crane with

the capability of lifting the heavy tundish, David Hadley of the Transportation Department explained. "So, they did the work right on the trailer," he said.

Despite the weight and size of the load, the trip was uneventful and Driver Mike Chumney had no problems going out or coming in.

The tundish has now returned to service in the caster operation.



NSW's 59,000-pound tundish sits ready to roll out for relining May 22nd. When it returned June 6th, the tundish had picked up an additional 25,000 pounds.

Checking the stats

June, 1989
PRODUCTION

| Department/Mill | Produced (tons) | Performance to Plan |
|---------------------------|-----------------|---------------------|
| Primary Department | | |
| Raw Steel | 144,095 | 72.8% |
| Billets Cast | 57,634 | 78.4% |
| Blooms Cast | 58,950 | 104% |
| Wire Division | | |
| Rod/Wire | 3,353.9 | N/A |
| Plant 1 | 9,803.5 | 93% |
| Plant 4 | 6,469.4 | 105% |
| 24-Inch Mill | 34,612 | 88% |
| 14-Inch Mill | 24,030 | 93% |
| 12-Inch Mill | 33,841 | 100% |
| | Shipped (tons) | Plan vs. Actual |
| Total Rod/Wire | 20,292 | - 203 |
| 12-Inch Mill | 14,475 | + 975 |
| 14-Inch Mill | 26,271 | +1,051 |
| 24-Inch Mill | 29,948 | - 4,102 |
| Semi-Finished | 28,683 | +3,183 |

COMPLAINTS

| Wire Division Products | | | | |
|-------------------------|---------------|----------|--------|--|
| Number Recorded | Reason | By Costs | | TOP FOUR COMPLAINTS = 79.07% OF TOTAL |
| | | \$ | % | |
| 48 | Order Error | \$2,987 | 25.53% | |
| | Service | \$2,780 | 23.76% | |
| | Cust. Error | \$1,974 | 16.87% | |
| | Shortage | \$1,510 | 12.91% | |
| Steel Division Products | | | | |
| Number Recorded | Reason | By Costs | | TOP FOUR COMPLAINTS = 75.88% |
| | | \$ | % | |
| 106 | Price/Freight | \$38,434 | 34.70% | |
| | Caster Crack | \$27,101 | 24.47% | |
| | Order Error | \$ 9,405 | 8.49% | |
| | Service | \$ 9,102 | 8.22% | |

ABSENTEES

| Normal Work Hours | Total Absence* Hours | % Absence to Normal | % May 1989 |
|--|----------------------|---------------------|------------|
| 419,255 | 26,928 | 6.42% | 5.5% |
| * includes off until further notice, i.e. workers compensation, sickness and accident, discipline, etc. and general reporting off. | | | |

OSHA RECORDABLE INJURIES

| | | |
|---|---|-------------------------|
| 30 OSHA recordables are injuries resulting in time loss, sutures or physical therapy needed, industrial illness, etc. | 12.28% Rate is % per 200,000 man hours (100 employees working 1 year) | Rate -June, 1988 14.04% |
|---|---|-------------------------|

NSW workers soar to great heights

Two Northwestern Steel and Wire Company workers enjoy much of their free time unfettered by earthly bounds.

Jerry Earl of the Melt Shop and Roger Wait of the Wire Division Sales Department are both licensed pilots who fly small aircraft on their days off.

"I think a lot of it is the beauty of it," Earl said, explaining why he enjoys flying. "You get up in the air and you can see so far. It's exhilarating—it's the freedom of being able to point your nose in any direction and go. That's something you can't do in any other vehicle."

"It's a challenge," Wait explained. "You have to have a certain level of intelligence, a certain knowledge of math. Flying requires mental calculations to handle the flight instruments and for navigation."

Pleasure is also business

For Earl, flying is a business as well as a hobby. He operates Earl Air Park in Erie, about 25 miles west of Northwestern. He not only gives flying lessons, but also builds aircraft.

Earl assembles Home-Built Aircraft from kits sold by Quad City Challenger in the Quad Cities, two-seat airplanes that are about the only type of affordable aircraft still on the market. Cessna has stopped producing small two-seaters and Piper has greatly reduced production, he explained.

The single-engine aircraft are assembled at Earl Park for pilots throughout the area. Earl's business is

one of only a handful in the country that produce such airplanes. Earl also makes ultra-lights; but he noted the low-speed, single-engine, single-seat aircraft are very difficult to fly.

A licensed pilot since 1962, Earl has spent more than 25,000 hours flying aircraft. Almost every night, he's in the air, giving flying lessons, testing an airplane, or just having fun.

No time like the present

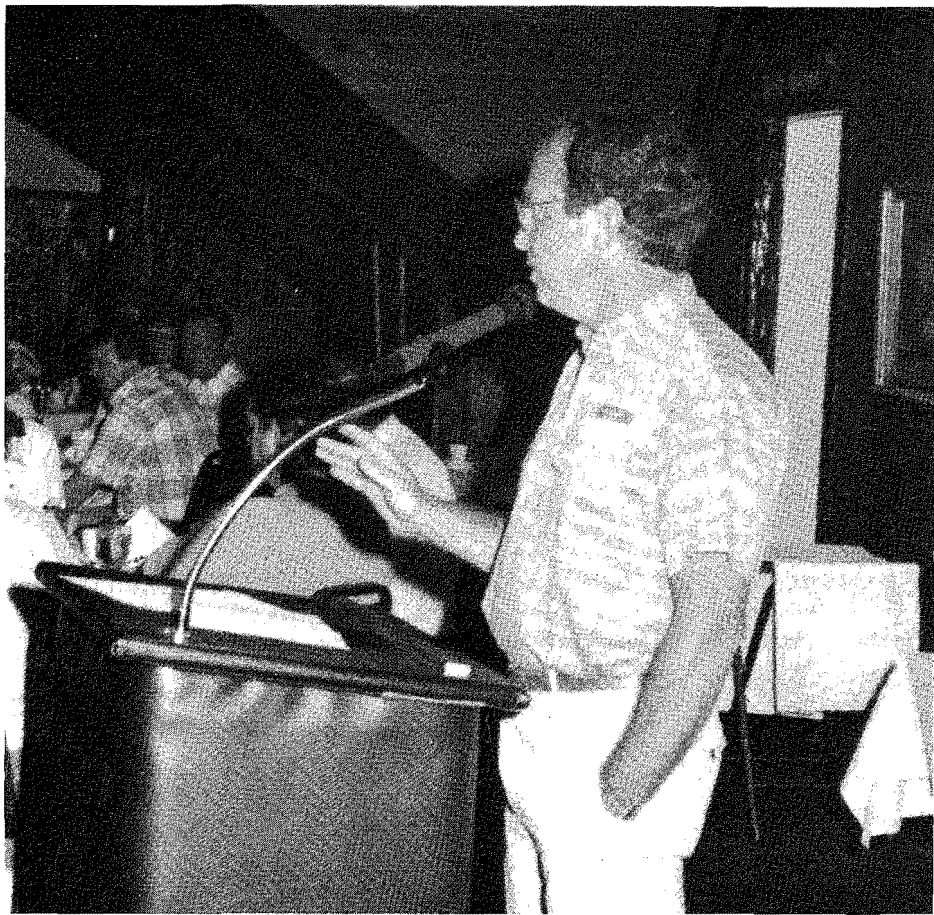
Earl remembers the day his love affair with flying began. He and a friend were driving home from playing golf when he spotted an airfield and said, "I'd like to get into that someday."

"Let's see how much it costs," the friend replied. A few minutes later, they were airborne in a demonstration flight. Earl was hooked.

The 27-year NSW veteran noted his love of flying is shared by many in the area, despite the high cost of owning an airplane. His hangar now has room for 12 airplanes and he stores airplanes for several pilots in the area.

Wait once owned an airplane, before the cost of keeping it flew sky-high. Now, he rents small planes and flies to visit friends, take vacations and drop in on air shows.

Wait earned his wings 28 years ago and even flew charters in the 1960s, before rising insurance and gasoline costs made the part-time job too expensive. Now, he flies about twice a month, primarily out of Blackhawk Air Service at the Dixon Airport. He maintains a general aviation license, with instrument ratings for both single and multi-engine aircraft.



QIP/LMPT Manager Larry Miller gives cudos to Steel Division QIP team members at a recent appreciation breakfast at Brandywine Inn.

Retirements recorded

Twenty NSW employee/owners with an accumulated total of nearly 600 years of service, have retired during May and June. *Owners Manual* commends these individuals on their longtime dedication to the Company and extends best wishes for a happy and productive retirement.

May 1st Retirees:

- 41 Years**
Raymond Schutt, Jr., Nail Room Machinist
- 30 Years**
James Gray, Plant 3 Pipe Shop
Bobby Greeno, Mat Department
Dean T. Pyse, Electric Furnace Maintenance
Gutberto Salinas, Plant 3 Shipping
- 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

June 1st retirees:

- 38 Years**
Robert R. Anderson, Electric Furnace Cranes.
- 36 Years**
Cleddie Yochum, Plant 2 Electrical.
- 35 Years**
Hershell Stites, Plant 2 Crane Mechanics.
- 33 Years**
Frank Fritz, Plant 3 Electrical.
- 30 Years**
Clarence Porter, Jr., 24" Welding.
Lendell Greenwalt, West Plant Machine Shop.
- 28 Years**
Kenneth Balsley, Plant 2 Millwrights.
- 25 Years**
Don Hacker, Steel Plant Welder.
- 23 Years**
Donald Thompson, Plant 4 Shipping.
Alvin Neitzke, 24-Inch Mill.

Bellini hams it up

Jim Bellini is probably the only person at Northwestern who can boast of having frequent conversations with people "in the farthest corners of the world." What's more, he does it without ever leaving home.

Bellini, a Shipping Supervisor in the East Plant and 19-year NSW employee/owner, became interested in Ham radio as a teenager some 33 years ago. By 1957, he had earned a General Class license and has since spent many pleasant hours on the air. "Too many, if you ask my wife," Bellini laughed.

The greatest satisfaction he derives from his hobby comes from talking to people around the world, Bellini said. He has recorded conversations from such faraway places as Russia, Germany, Yugoslavia, South Africa, Australia and the South Pole.

Often, these contacts develop into long-distance friendships. For example, during the past six months, Bellini has spent part of every Sunday even-

ing on the air with "Frank" of Colombia, South America. Bellini also fondly recalls time spent in Lakeland, Florida, with longtime radio friend "Jerry."

Occasionally, these conversations create lasting memories. Bellini recalls picking up the signal of then-Presidential candidate Barry Goldwater of Arizona, a fellow Ham enthusiast. Bellini has also talked to General "Butch" Griswald of the Strategic Air Command, who was flying over the area on his way to the Pentagon (the "real" one in Washington, D.C., of course!). Following the conversation, Griswald sent Bellini a postcard featuring his airplane.

In recent years, Bellini has been involved with a local group which uses its radios to monitor the area in case of disaster. So far, there have been none, but the group plans to continue its vigil.

QIP Teams honored

Appreciation Breakfasts were held on May 20th and June 3rd at the Brandywine Inn, Dixon, honoring Steel Division QIP Teams. Attendance at the two breakfasts totaled over 300 and included members and guests of the QIP Teams and their Steering Committees, according to Larry Miller, QIP/LMPT Manager. The breakfasts were the first to be held for Steel Division QIP Teams.

As "emcee" of the proceedings, Miller introduced Steering Committee members to the group. President and CEO Robert M. Wilthew and Tom Galanis, Vice President of Operations,

Steel Division, recognized the QIP Team's contribution to Northwestern's bottom line and emphasized the importance of teamwork.

Miller also discussed the new 80/80 Club, which is being established to reorganize individuals or teams that have had outstanding attendance and presentations (see story this issue).

Miller issued a special thanks to Steel Division Facilitator Chuck Bennett, his wife Rae Ann, and Beth Lancaster, Executive Secretary to Galanis, for their help in organizing the breakfasts.

Catfish no match for tourney teams

A whale of a tail

Good fishin' and good eatin' were the order of the day as members and retirees of Local 3720 held their second annual Catfish Tournament May 21st at Prophetstown State Park.

Twenty boats were entered in the tournament, netting \$200 in entry fees. First-place honors were cast to the team of Charles Deyo and John Tomczak, who hauled in a 17-pound stringer. With a 12-½ pound stringer, the team of John Buckley and Bob Sisson reeled in second place. Dave Clark and Kevin VanDeVelde's 12-pound stringer earned the duo third spot in the competition.

The award for the biggest fish, a fishing rod custom-built and designed by John Souser, went to John Tomczak for his 3 lb., 4 oz. catch.

At the end-of-the-day fish fry, 65 hungry people chowed down the 85 pounds of choice fish caught during the five-hour competition.

Tournament committee members Bruce Jackson, Jenny Nichols, Kevin VanDeVelde, and John Souser extended a hearty "thank you" to all the area merchants who provided prizes for the event. Merchants included Riglers, H&R Bait, Rock Falls

WalMart, K-Mart, Coast to Coast, Prophetstown Hardware Hank, Schreiner Oil, Gieson Yamaha Inc., the Pro Shop, and Souser.

Tee Time

The NSW Salaried Golf Outing is coming up soon. Polish up those clubs and join the fun.

Place: Lakeview Country Club
Date: August 5, 1989
Tee Time: 12:00 - 2:00 p.m.
Cost: \$7 entry fee plus green fees.

(Make your own golf cart arrangements by calling Lakeview at 626-2886)

To sign-up or for further information contact the following:
East Plant - Don LaFavre Ext. 579
Sales/Communications - Linda LaFavre Ext. 264
Sales - Vella Simpson Ext. 606
East Plant - Denise Frey Ext. 424
West Plant - Bill Boesen Ext. 366
Timekeeping - Gerry Hunsberger Ext. 557

An ounce of prevention

Preventive maintenance and immediate access to spare parts could save Northwestern a whopping \$63,825 annually, according to the 14-Inch Mill QIP Team No. 2 presentation May 30th.

The team includes Co-leaders Leonard Amesquita and David Freeman, Co-recorders Thomas Johnson and Duane Lou, plus team members Mike Smith, Noel Reed, Mike Farmer, Ronulfo Neal, Ellsworth Wolf, Dennis Gibson, and Phil Schroeder.

Repair expenses, coupled with considerable downtime with the center bumper of the old piler were found to be problems in the 14-Inch Mill, the report states. Team members found that while the original air stop is adequate for the material being run, inadequate preventive maintenance and makeshift repairs were resulting in excessive downtime.

Maintenance costs lowered

Using parts on hand, team members repaired the air stop during a two-week shutdown. Follow-up studies revealed that only 24 man-hours, or \$360, were spent on maintenance in the past 7 months as compared to 312 man-hours, or \$4,680, for a previous 12-month period.

Team members also found it was feasible to go to 200% of motor amp rating toward braking, rather than the approximately 30% as previously used. In addition, replacement of motor

and roll side couplings and gear boxes were found to prevent the sensor roll from grounding out, resulting in a total savings of \$44,400.

Team members agreed a program of preventive maintenance is the best solution to the problem.

Vending machines vindictive

Think twice before you kick, punch, or rock vending machines to get back money that's been "eaten." Such actions have caused at least three deaths and 11 cases of serious injury, according to a report in the November 11, 1988 *Journal of the American Medical Association*.

Survivors of the vending machine wars have said the old top-heavy machines seemed light when first rocked, but then fell with crushing speed once they were off balance.

Newer machines are less likely to malfunction, but they're also built to resist human hostility; pounding and rocking just won't do any good. So the next time a machine swallows your money, swallow your anger and don't strike back. You won't get your money, and you might get hurt.

Semi-finished steel opens new sales door

Steel Division defies odds to rev up 1989 revenue

When a company has the world's largest steelmaking electric furnace, melting capacity can be viewed as a problem or an opportunity. NSW took the right view back in 1987 by making the decision to try selling semi-finished steel. The Company had never explored the market before that time.

The odds were against selling semi-finished steel; experienced steelmakers nixed the idea, claiming it would not work. Therefore, Tom Galanis, Vice President, Steel Operations, and Chuck Biermann, Vice President, Steel Sales, set a conservative shipping goal of 2,000 to 5,000 tons per month.

"Experts" were wrong

By the end of the first year, the division was shipping 25,000 tons per month. The semi-finished annualized rate expected for Fiscal Year 1989 is 430,000 tons; as of the ninth month, more than 322,000 tons have been sold and shipped to all parts of the country.

"We see it as an ongoing part of our business, no matter how the industry goes," said Vern Johnson, Manager, Steel Sales. "If the market for steel levels off, we could lose some customers who have some melt capacity of their own, but the rest would stay. We're shooting for some long-term, year-long contracts."

Who buys semi-finished?

NSW semi-finished steel is sold in 5¼ square billets, 8 x 5½, 9¾ x 6, 9¾ x 8 and 13 x 8 blooms, as well as ingots, to a wide range of steelmakers and steel products producers. While semi-finished steel is purchased by customers who have no melting capacity, it is more commonly sold to those who have less capacity for raw steelmaking than rolling capacity.

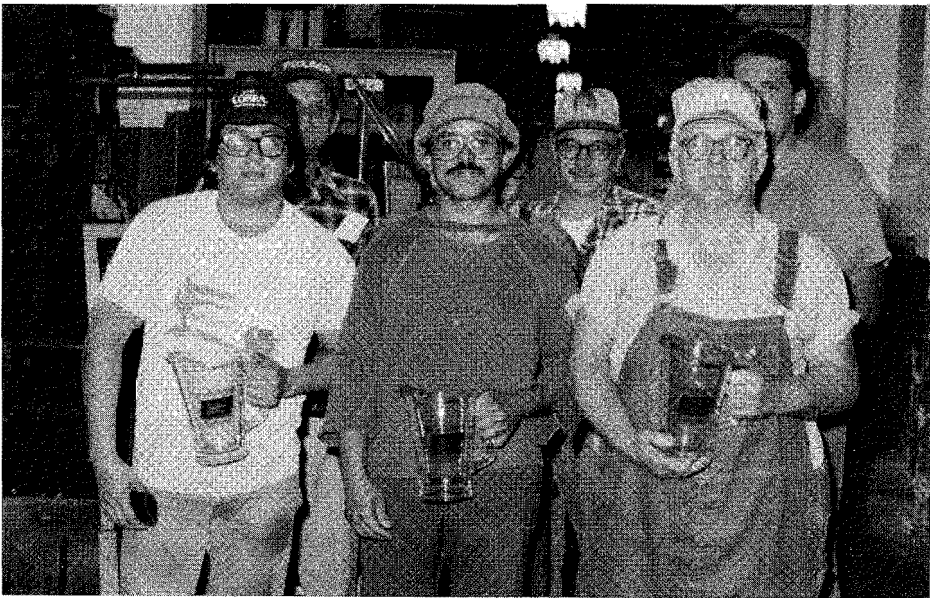
"It's a good market right now and

has been for the last two years," said Paul Lester, Supervisor, Sales Planning. "We plan to stay at about 30,000 tons per month." NSW's semi-finished steel customers include North Star Steel, Inland Steel, Birmingham Bolt, Armco, Sheffield Steel and Fort Wayne Specialties. Other steel makers who also sell semi-finished steel are Bayou, Florida Steel, LaCleda and North Star.

Adding the new market area of semi-finished steel to the already established business of Northwestern is handled with care. In fact, a Semi-Finished Committee has been organized to meet weekly to work out the details. Furnace production, PCIC, customer specs, credit issues and much more are discussed by President and CEO Robert M. Wilthew, Jerry Shinville, General Manager, Quality Assurance, Ed Maris, Vice President, Finance, Robert Martin, Vice President, Purchasing, Jim Galloway, General Manager, PCIC, Biermann, Galanis, Johnson and Lester.

"We do not make and hold semi-finished for selling," Johnson pointed out. "Like the rest of our products, we produce to order and ship it out; there is no excess inventory. Sometimes, the PCIC people will see a window of opportunity in the schedule to make semi-finished. They tell the Sales Department about it and we go from there."

As with other products, freight costs often determine whether semi-finished steel can be competitive in price. "The farther we go from the Mill, the tougher it gets," Lester stated. "When we sell to a Chicago mill, our freight rates are part of the price, because it's only \$8 a ton here. But recently, a mill in Oregon wanted a delivered price, and with the \$40-a-ton freight rate, we just couldn't compete."



The Netting Department set two new shift records during June by producing 238 of the 48-Inch, 1 x 20, 150-foot rolls on June 14. Three days later, on June 17, the department broke that record by increasing the number to 255 rolls. Pictured above celebrating their victory are: front row (l to r) Helper Mickey Vasquez, Reeler Sam Rodriguez and Operator Everett Yates. Back row (l to r) Vernon Schwenk, Supervisor, Agri-Products, Gary Bauer and Ron Kalas, Multi-Craft Millwrights, and Trucker Bill Seidel. The old record was set May 2 when 216 rolls were produced. This marks the eighth record for the department this year.

Knock-out streak continues in May

Records dive in 5th

Employee/owners continued to knock out records during May, proving that Northwestern Steel and Wire is the winner and still champ!

Owners Manual salutes the ongoing accomplishments of NSW's employee/owners.

| Field Fence Department | |
|-------------------------------------|--------------|
| Shift Record | Old Record |
| 39-6-C size fence, 20-rod rolls | |
| May 22, 1989 | Dec. 2, 1988 |
| 7-3 shift | 7-3 shift |
| | 69 rolls |
| John Lewis, Operator, No. 6 Machine | |

| Electro-Weld Department | |
|---|----------------|
| Shift Record | Old Record |
| 6 x 4-14/16 gauge tomato tender | |
| May 26, 1989 | April 12, 1989 |
| 7-3 shift | 11-7 shift |
| 5,710 feet | 5,605 feet |
| Kevin VanDeVelde and Eric Russel, No. 13 machine. | |

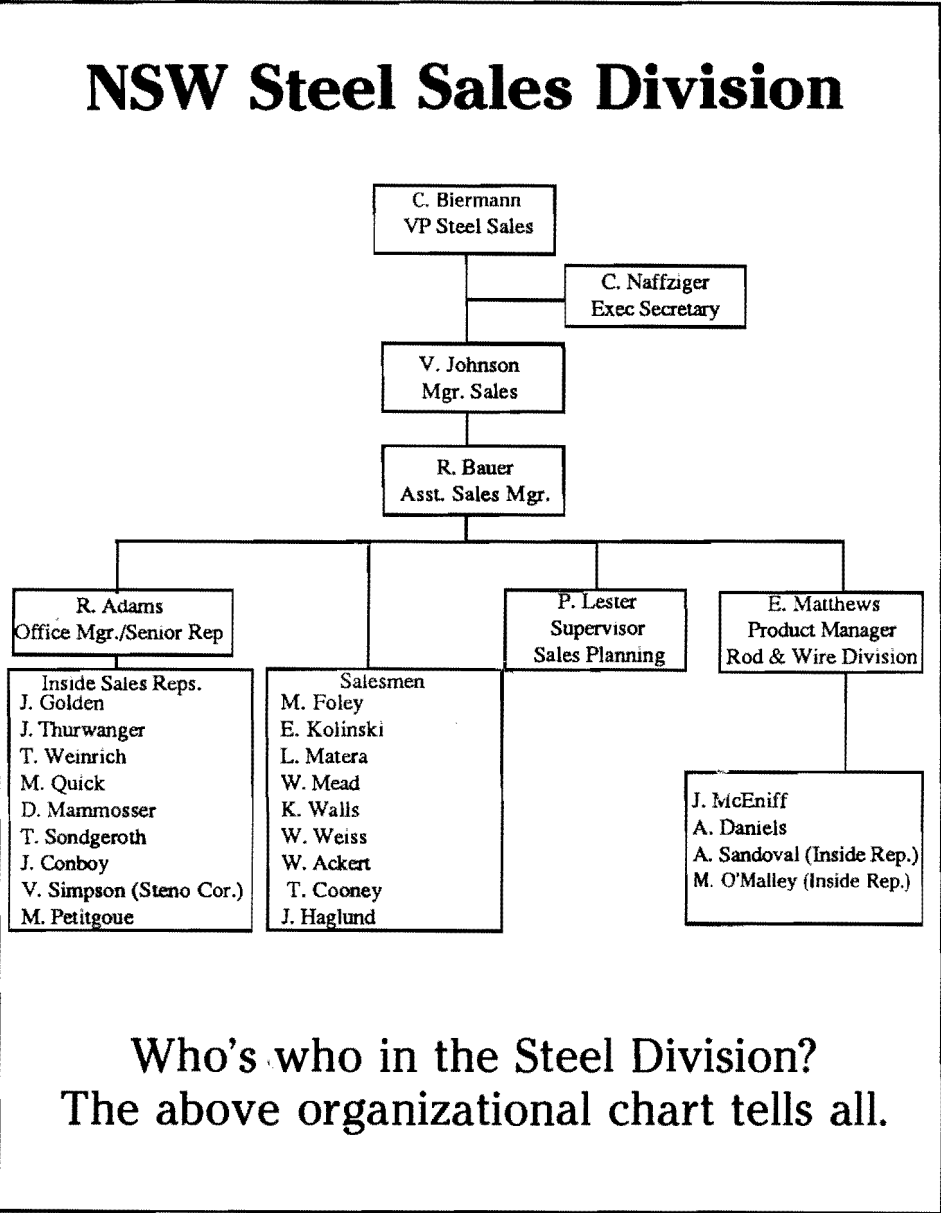
| Annealers | |
|--------------------------|------------|
| Monthly Record | Old Record |
| Annealers | |
| May, 1989 | June, 1988 |
| 1,107.4 tons | 933 tons |
| Gerald Fowler, Operator. | |

| Drawing Room | |
|----------------|---------------|
| Monthly Record | Old Record |
| May, 1989 | March, 1989 |
| 10,906.8 tons | 10,380.4 tons |

| | |
|----------------------------|--------------|
| Monthly shipping record | |
| Bright manufacturer's wire | |
| May, 1989 | Aug. 1988 |
| 2,283.7 tons | 2,084.4 tons |

| Netting Department | |
|---|-------------|
| Shift Record | Old Record |
| 48-inch, 1 x 20, 150-ft. rolls | |
| June 14, 1989 | May 2, 1989 |
| 7-3 shift | 7-3 shift |
| 238 rolls | 216 rolls |
| Operator, Everett Yates; Helper, Mickey Vasquez; Reeler, Sam Rodriguez; and Trucker Bill Seidel, No. 7 machine. | |

| | |
|---|---------------|
| 12"/48" 1 x 20, 150 ft. rolls | |
| June 17, 1989 | June 14, 1989 |
| 7-3 shift | 7-3 shift |
| 255 rolls | 238 rolls |
| Operator, Everett Yates; Reeler, Sam Rodriguez; Helper, Mickey Vasquez; Trucker, Bill Seidel; No. 7 machine. | |
| The record, the 8th for the Department during 1989, also bests the July, 1987 record for 251 cuts set by a five-man crew. | |



Annual savings of \$40,000

Nail Department changes will hammer down costs

Changes in Nail Department storage procedures and the installation of new storage racks will save Northwestern Steel and Wire Company about \$40,000 per year, according to a presentation by Nail Packing QIP Team No. 13.

The report notes NSW must spend \$16,370 to implement the system, which will detract from first-year savings.

Team members include Arlyn Dykhuizen, Robert Lehman, Richard Slater, James Bellini, Jim Hicks, John Ordean and John Fry.

"The team feels the amount of damaged box material being destroyed or scrapped daily has created a large cost item for the Company," the report begins. "Both incoming and warehoused material creates problems for Northwestern."

Waste not, want not

The report estimates NSW loses \$6,200 annually through nail boxes destroyed by inexperienced tractor drivers at the plant. About 300 boxes a week, out of 42,000, "are destroyed by our process."

But the largest loss, the report states, is "enormous amounts of material" which are being destroyed in warehousing and handling. The annual loss is estimated at \$22,000.

Another \$11,085 estimated annual loss resulted from shortages of material received from one of our customers. However, the QIP team resolved this loss through the

cooperation of the customer.

"Tractor damage is the largest problem we have," the report states. "Tractor drivers should be trained in their required skills and held accountable for their actions. We strongly suggest a qualified forklift operator be utilized to unload and store box material."

The only costly recommendation made by the QIP team is the installation of storage racks in the new Nail Packing Building at a cost of \$16,370.

Two problems corrected

The report notes the team corrected two problems in the Nail Packing Department last August.

First, a pressure regulator was added to the Nail Packing machine box lift cyclinder to reduce pressure. Damage occurring to box material was eliminated, thus saving \$6,200.

The team also recommended the replacement of an electric eye on No. 5 Nail Packing Machine, thereby saving downtime and lost production.

"An additional benefit to the Company with an inventory located in the building is that the physical counting of the inventory should be reduced and provide at-a-glance declining inventory," the report concludes. "This should lessen the need for overstocking of box material and promote the possibility of just-in-time delivery."

The team promised to check the results six months after the implementation of the recommendations.

Las Vegas, Bermuda or the Caribbean

80/80 Club points to prizes for QIPs

Now, NSW employee/owners can win valuable prizes by accumulating points for QIP team attendance, presentations, and dollar savings to the Company, according to QIP/LMPT Manager Larry Miller.

The 80/80 Club, a program designed to recognize individuals or teams that have had outstanding attendance and presentations, allows QIP team members to accumulate points, which can then be "spent" on such items as Company jackets, shirts, and dinners for two.

Points are awarded for attendance at QIP meetings, participation in team presentations, and presentations which are accepted by management. Additional points are awarded for each \$1,000 of verified savings to the Company when Team recommendations are implemented.

Employee/owners who accumulate 200 points will be eligible to enter a drawing for a trip for two, including one week of paid vacation and \$350 in expense money. The trip must be taken within 12 months of the drawing, and those not wishing to travel may elect to receive the cash equivalent of one-half the trip value.

"The goal of the program is to achieve at least an 80% attendance record among QIP team members," Miller said. In 1988, all teams averaged 70% attendance, and 53 of the 113

active teams reached the 80% attendance mark.

To learn more about this exciting program, contact Miller at extension 558.

What makes a good supervisor?

The Editorial Advisory Board for *Inside Outlook*, the monthly NSW supervisory personnel publication, made an extremely sound suggestion for generating article topics for future issues. "Why not ask the people who are supervised?" they said.

And, we are asking.

What makes a good supervisor? What is—or should be—the role of an NSW supervisor? Whom have you worked with at NSW that you consider an exceptional supervisor?

If you have an answer you'd like to share, or have suggestions for other article topics, please contact Leona Richards, Manager of Communications, Office Annex.

Major East Coast nail distributor visits NSW

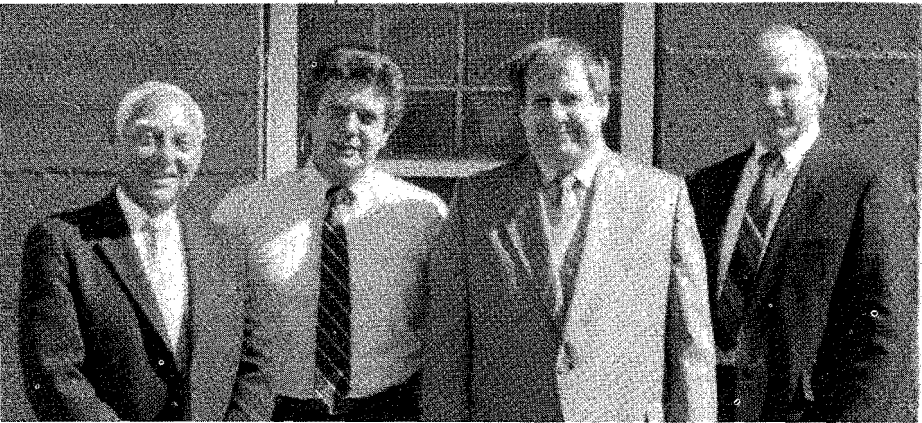
Hank Ross, President of All-American Trading Company, Edison, New Jersey, recently visited Northwestern, accompanied by Hy Hoffman, President of Herlo Inc., a Northwestern representative.

According to Denny Redfield, Manager of Sales for the Wire Division, All-American Trading began purchasing occasional truckloads of nails from Northwestern in mid-1987.

"Beginning in the spring of 1988, their purchases reached the point where we began shipping them in 80-ton carloads. All-American

Trading is one of the major nail distributors in the New York/New Jersey area and has done a very fine job of distributing Northwestern nails in this region," Redfield explained.

With the tremendous increase in tonnage purchased from NSW, Ross welcomed the opportunity to come to Sterling and get a look at Northwestern's operations and personally see the improvements that have been made. "To say that he was impressed is an understatement. Mr. Ross has toured many nail facilities throughout the world and said that, in particular,



Completing a tour of NSW are: (l to r) Hy Hoffman, Herlo, Inc.; Dave Oberbillig, Vice President of Wire Products Sales; Hank Ross, President, All-American Trading Co., Edison, New Jersey; and Denny Redfield, Manager of Sales, Wire Products Division.

Northwestern's nail facility is state-of-the art. He said he made the correct decision in directing more of his purchases to Northwestern," Redfield added.

Hoffman, who has been NSW's

representative for over 30 years, last visited Northwestern's facilities over 10 years ago and was amazed at all of the changes and improvements that have been accomplished in such a short period of time, Redfield said.

Glory be!

Gospel according to Funderberg

If you're a gospel music fan and pick up the latest album by Rock River native Paula George, listen for a familiar voice in the background.

Les Funderberg, a Group Leader in NSW's Drawing Department, sang backup on four of the album's songs. The album was recorded last January in Nashville and was released in April.

The two musicians originally met at church; George's father is the pastor at Rock River Christian Center, where Funderberg is a member of the congregation. "She heard me singing at the church and asked me to be a backup singer," Funderberg recalled.

Album is his 7th

Funderberg is an accomplished vocalist; in fact, George's album is the seventh to feature his polished voice. His first trip to a recording studio

came when he was only 18 and sang backup vocals for an album recorded by his uncle, Chuck Funderberg. Later, he sang with the Kinsmen Quartet and recorded two more albums.

Today, Funderberg is a member of the Crystal City Quartet, which recently took first place at the Illinois State Quartet competition (as reported in the June *Owners Manual*.)

But Funderberg is not a professional musician who plans to leave Northwestern. In fact, singing on George's album was done not for money, but rather because "we're friends and she asked me to sing," he said.

His most recent singing engagement was also done for George's benefit — this time, he sang at her May wedding in Rock Falls.

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121 Wallace Street
Sterling, Illinois 61081

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