

A Look INSIDE



**Stock car
racers set
to win!**

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boasts of
no accidents**

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helps fund
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The Owners Manual

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

April, 1990

Four assume new management roles

Four new management assignments, as well as formation of an interim Operating Committee designed to handle daily decision-making activities of the company, have been announced by Northwestern's Board of Directors.

Effective March 30th, Charles H. Biermann, formerly Vice President of Sales, Steel Division, at Sterling, assumed the position of Senior Vice President of Sales. He is now responsible for all sales and marketing functions of the Steel Division, including both Sterling and

Houston, and the Wire Division, including Sterling and Rock Falls products.

Named to the position of Senior Vice President of Operations was Tom L. Galanis, whose responsibilities encompass both Steel and Wire Divisions in Sterling and the Houston wide-flange beam mill scheduled to begin operation in June. He formerly served as Vice President of Operations, Steel Division, at the Sterling facility.

Edward G. Maris, who served as Vice President of Finance and Chief

Financial Officer (CFO), assumed the title of Senior Vice President of Finance and CFO of the corporation.

Merlyn G. Bruns, formerly Director of Human Resources, was appointed to the position of Vice President of Human Resources for all Sterling, Rock Falls and Houston activities. In addition, the Labor Management and QIP programs and organization now report to him.

The above four also comprise the Northwestern Operating Committee, which is responsible for the day-to-day decisions required to success-

fully manage the business of the company. The committee has the authority to make decisions normally handled by the President and CEO and will do so until a new chief officer is hired. "The committee will move on day-to-day proposals that come before the company, and carry on the company's business strategies and plans," explained Senior Vice President and CFO Ed Maris, committee spokesman.

When a CEO is brought in, the (See COMMITTEE, page 6)

People, equipment moving into place

Houston steels up; to start on schedule

The new Northwestern Houston Steel Company is scheduled to run its first hot steel June 10th, and according to Mike Barber, Vice President and General Manager, the excitement is mounting.

"There's definitely a feeling of

"...the company (NSW) is innovative and the people in this area (Houston) love to see something that should have been done years ago become a reality today."

excitement here," he said. "Everything is on schedule and on June 10th we hope to have hot steel running through this mill. At this point, there are no major problems or concerns."

As of the beginning of April, refurbishing efforts were nearly complete, with the main focus centered on unexpected motor repairs and improving the reheat furnace. "We had the motors taken

apart and sent to repair shops in such a way that the most critical ones were repaired first," he explained. "This, coupled with the buying of some spare motors, should take care of that problem. And we've begun refractory work on the reheat furnace, along with new burners and piping."

The new computerized control systems will be tested during the initial manual startup and are expected to come fully on line in a month or so, he reported.

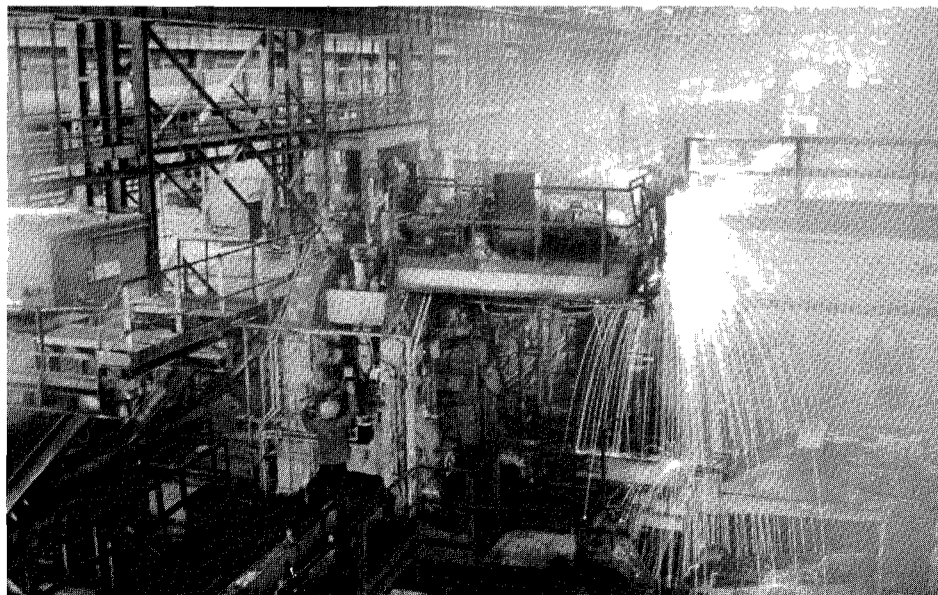
With hiring at the management level nearly complete, Barber reported the company would begin the process of filling supervisory-level positions and augmenting the hourly workforce. "We now have 11 hourly people on a temporary basis, who will become full-time once the plant begins operation," he reported April 2nd. "We plan to hire 16 more this week and, by the end of the month, we should have 36 people in training."

While the atmosphere is upbeat, Barber is aware there are challenges facing H/N Steel in the upcoming

upcoming months. "There will be hurdles to cross, especially when you're starting an idle facility with a new group of people you have to get trained to run the equipment. There is also the possibility of finding things wrong with the equipment, such as various technical problems that weren't there under no-load condition. It's hard work to get over the hurdles, but they will

not be too difficult to overcome. It's just something that will take a little time to work out."

Improvements to the structural mill, which had been closed since 1982, are expected to cost about \$60 million. Refurbishing of the facility is now about 70% complete, according to Tom Galanis, Senior Vice President-Operations. Electrical (See HOUSTON, page 3)



Renovations at the new Northwestern Houston Steel Company are coming along on schedule, with June 10th scheduled as the tentative date hot steel will begin running. In the photo above, one of the workers makes an adjustment to ensure the machinery will be running smoothly for the operation.



Northwestern Steel and Wire Company

121 WALLACE STREET • STERLING, ILLINOIS 61081
Telephone 815/625-2500 • TWX 910-642-3894

April 10, 1990

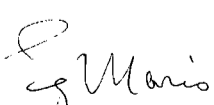
Dear Employee/Owner:

Congratulations are in order to the employee/owners of Northwestern Steel and Wire Company. The company had shipments of 116,000 tons during March, \$43.4 million in sales, and operating profit of \$4.2 million -- with net profit after interest and taxes of \$1.9 million

Contributing to March's results were operating profits in the Wire Division of approximately \$700,000, which is a turnaround performance from the results of previous months. Additionally, costs were improved in the Steel Division and each of the three mills had particularly fine performances with regard to conversion costs and yield.

As you know, for the first seven months of the fiscal year, net profits were approaching breakeven; and, the March results are very satisfying, particularly with the background of the softness in the marketplace. With continuing improvements in our performance, the competition will know what Northwestern really is -- a fierce, profitable competitor!

It's terrific to report "a job well done."


E.G. Maris
Senior Vice President, CFO

Viewpoint

“Northwestern has always been an industry leader in accepting responsibility for the environment. What else do you think the company can do to help maintain a safe environment for future generations?”



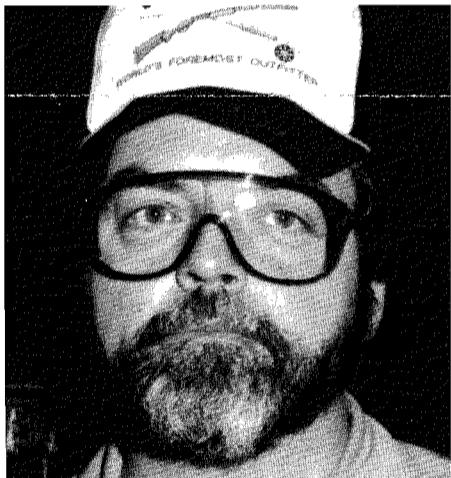
“I trust that Dale VanDeVelde is keeping up with the newest EPA legislation for our industry. On a smaller scale, we can each individually try to reduce waste by reusing paper and having containers set aside for recyclable material.”

Debbie Cushman
Claims Coordinator



“Well, we don’t have too good of an ozone atmosphere up above. That should tell somebody something. Don’t start anything here cause nothing will get accomplished. That’s a fact!”

Terry Mendoza
Tractor Driver
Drawing Room



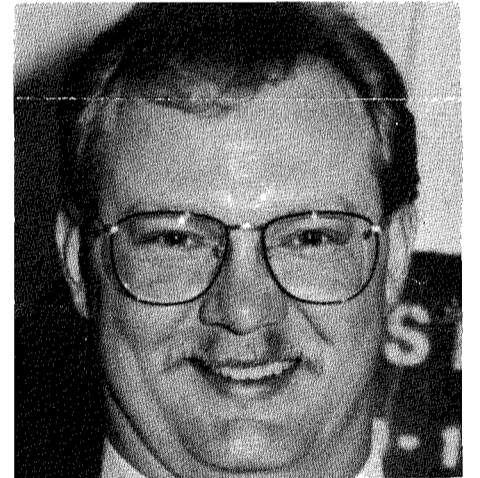
“To definitely stay up with all the OSHA standards and start listening more to the men. I have yet to see the company listening much to the men.”

John Thayer
Electro-Weld



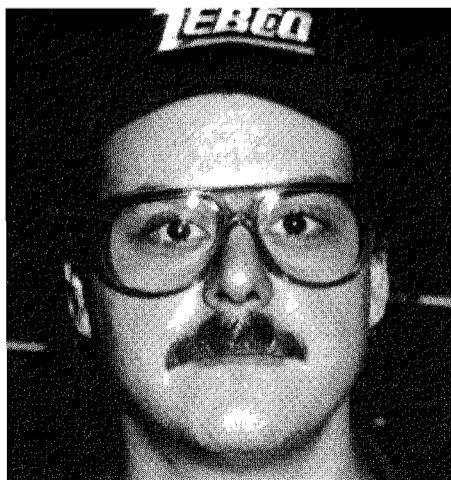
“I think they try pretty hard. the scrubber was put in the nail galvanizer before the EPA said we had to. The bag house was installed to replace the scrubber. I think they do a pretty good job.”

Lester Pratt
Nail Repair



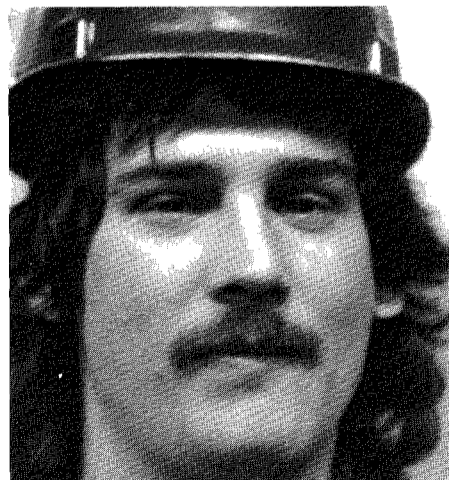
“Work to recycle material that can be recycled and dispose of material properly which cannot be recycled.”

Jim Henry
Inventory Analyst



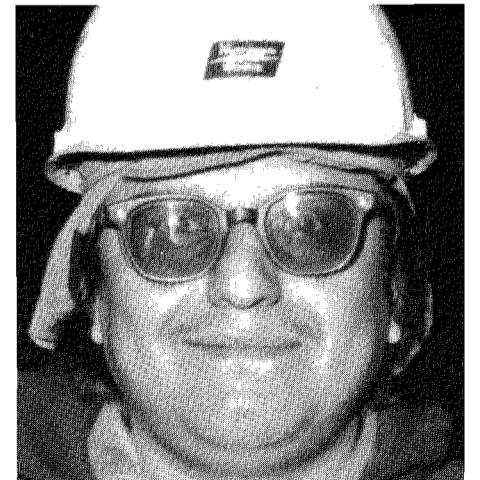
“High restrictions on pollution levels.”

Jeff Richards
Electro-Weld



“Stop the smoke coming out of the reheat furnace at the 14-inch Mill.”

Tony Boyer
Finishing Hand
14-Inch Mill



“Try to keep pollution down to a minimum to comply with EPA regulations.”

Max Alvarez
Assistant Roller
12-Inch Mill

'Shade Trees' plan to line track

Racing group eyes a championship

Achieving at least one track championship this summer – and having a good time getting it – are the goals for a group of Northwestern Steel and Wire Company employee/owners.

At least 11 NSW stock car enthusiasts will be at area tracks in Freeport and LaSalle, and Blue Grass, Iowa, to compete with their

"We enjoy a hobby that's a little dirtier and a lot more dangerous than most...none of us would be able to keep up with our hobby if it weren't for the help we get from each other."

street, late model and sportsman division car models this season.

A group, known as the "Shade Tree Engineers," have tallied several track championships over the years. Comprised of Ed Weakley, Chuck Turner, Doug Stern, Andy Hampton and Steve Denning, the group builds and races cars for the area clay tracks.

Also gearing up for the season, which begins in mid-April and ends in September, are John Engelkens, Ernie Lilly, Bob Pistole, Sam Foshee, B.J. Higley and Roy Clay.

"We enjoy a hobby that's a little dirtier and a lot more dangerous than most," Weakley, the car builder of the group said, adding, "If it weren't for me, there wouldn't be an Andy, Chuck or Doug in the races because I build their cars for them."

Winning cars seems to be what Weakley, who works in the Conditioning Yard at NSW, builds for Turner, who works in Plant 3 Shipping, and Hampton, who is in Plant Security. Each have tallied impressive track records and

championships in the 1980's.

All but one of the "Shade Tree Engineering" group drive Chevrolet models. "Doug Stern, who works on the Switch Crew, is the only black sheep," Hampton said. "Doug drives a Ford Ranchero, a street car, at LaSalle and Freeport," he said.

Stern, who said he's been racing for five years, credits Hampton and Turner for getting him involved in the sport. "You don't make a living out of this, but you make a lot of friends and work hard at

thanks to encouragement and a car given to him by Weakley, his weekend hobby has become one that involves the whole family and a group of friends he otherwise would never have known.

"People don't realize how much of a joint effort building and racing a stock car is. None of us would be able to keep up with our hobby if it weren't for the help we get from each other," Hampton said, adding, "You can spend a fortune on racing, or you can do like we do – scrounge around for used parts.

At stock car tracks, three heats are featured each night of the season, including the trophy dash, the heat race and the feature race. The feature race is the highlight of the evening and pays the biggest purse to the winner. A winner at Freeport generally earns between \$150 and \$250 in street stock class.

"You can actually make a little money at this sport if your car holds up," Hampton said.

For Weakley, who no longer races but builds the vehicles for his friends, 1990 "should bring our group a track championship."

Ernie Lilly, who works in East Plant Shipping at NSW, says he prefers racing at Blue Grass, Iowa,

Achieving at least one track championship this summer -- and having a good time getting it -- are the goals for a group of Northwestern Steel and Wire Company employee/owners.



A group of Northwestern employees have been enjoying stock car racing and plan to compete at tracks in Freeport, LaSalle and Blue Grass.

something you enjoy," Stern said.

Freeport Raceway, the largest dirt track in Illinois, will be the site of many races for the NSW stock car drivers this year. The track, a half-mile raceway, is targeted for extensive renovations over the next two years, Hampton said. "Freeport was closed for two years. A new track owner is expected to bring in new lighting and build a larger and better grandstand," he added.

Stock car racing began as a spectator sport for Hampton, but

"I've only bought one new tire in my years of driving," he chuckled.

Hampton won a track championship recently with his 1968 Chevelle and placed second in two other years. Track championships are based on total points accumulated over a season of around 22 races.

"I could have lost my track championship in the final race of the season. My Chevelle ran three races that final night on just seven pistons," Hampton said.

with his limited late model car. At Blue Grass, he earned a track championship and still holds a track time record.

Both Lilly and John Engelkens, who works in Plant Construction, are involved in racing at Blue Grass. Engelkens also has won numerous championships.

Lilly said he hopes to win the championship again this year at Blue Grass with his Bullet chassis and Chevy motor. "My wife and kids help me out at the track. We all love the thrill of competing with the other cars," Lilly said.

About six years ago, Lilly was involved in a major track accident when his vehicle rolled and flipped end over end several times. Thanks to the safety equipment on the car, he escaped with a broken little finger.

Houston steels up for June 10th

(Continued from page 1) improvements are nearly complete, and the motor problem is being solved.

"Everything else is falling into place fairly well," he said. The foundation has been set for a 78-inch sliding cold saw in the Finishing Department and new computer control systems are being installed. While location of a railroad scale in

the Shipping Bay has not yet been determined, it is not a critical item, Galanis noted.

Meanwhile, H/N Steel's Human Resource Manager Ruben Carter reported there has been tremendous response from individuals seeking employment at the plant. As of mid-March, over 600 screened applications had reached his office. He noted this is a small figure

compared to the total number of applications submitted to the Texas Employment Commission.

Carter said the Commission has indicated to him that "thousands have been prescreened."

"...Northwestern Steel and Wire offers opportunities that many people want to be associated with. We've had a more than adequate flow of people (apply for jobs in Houston)."

Forty workers will be hired for the initial plant startup, with total employment estimated at anywhere from 80 to 120 as the plant becomes fully operational. The job classification of those who will be hired is "operator/mechanic." "We're looking for the multi-crafted individual," Carter noted.

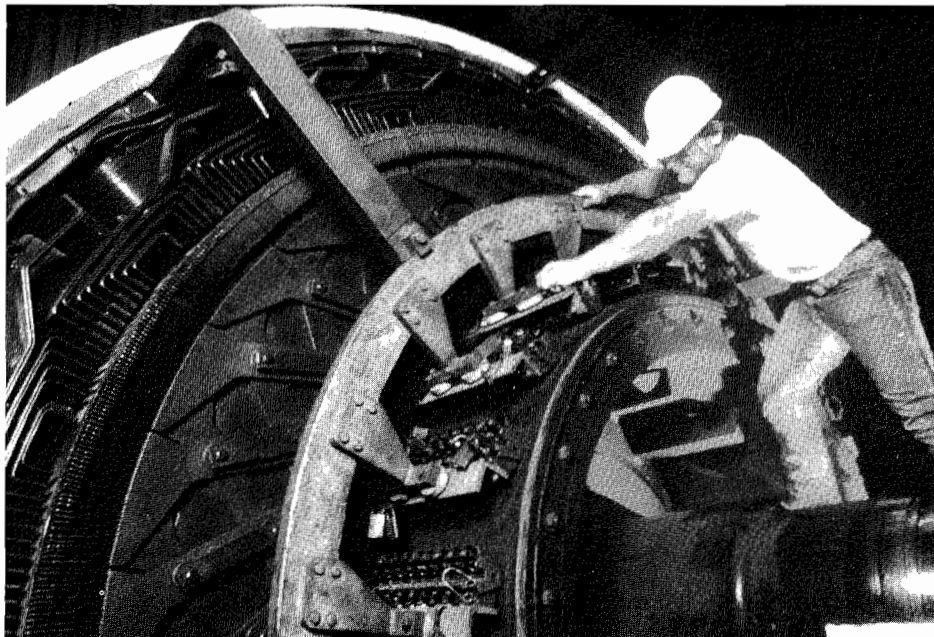
Carter was hired in December, followed by Mike Barber, Vice President and General Manager. Mike Rankin has been hired as Accounting Manager, and Dick Friel has transferred from Sterling to become the Houston facility's Operations Manager. Temporary office help has been answering phones and performing other clerical

duties.

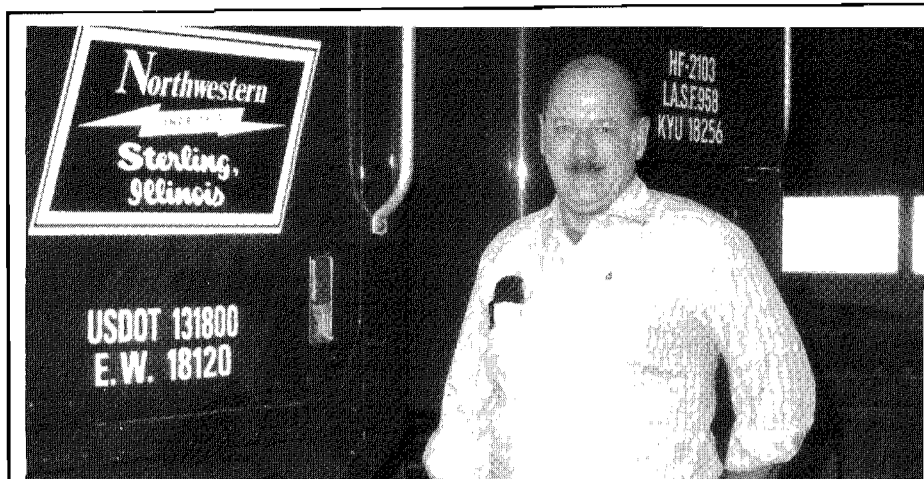
Sterling's Galanis confirmed that the Houston facility will have an office staff but he noted sharing some financial aspects between the two companies will take place. "Some management services at Sterling will be provided to Houston," he said.

When asked why the community interest in Northwestern Houston was so high, Carter said, "Because, the company is innovative and the people in this area love to see something that should have been done years ago become a reality today. Also, the market in Houston is picking up and we're fighting for good people. But Northwestern Steel and Wire offers opportunities that many people want to be associated with. We've had a more than adequate flow of people."

Northwestern Houston will operate at an annual capacity of 600,000 tons of jumbo wide flange beam products which will complement the Sterling facility's range of smaller, lighter-weight beams. It is anticipated the combined range of both facilities will enable the company to serve 80% of the U.S. wide flange beam requirements in terms of beam size and weight capabilities.



Refurbishing efforts are nearly complete at Northwestern Houston Steel in Houston. Excitement is running high in anticipation of a June 10th opening of the facility.



Arthur Johnson has logged over 2.5 million accident-free miles as an NSW driver for the past 24 years.

Johnson drives toward district driver honors

Arthur Johnson's record speaks for itself. An over-the-road driver for NSW for about 24 years, Johnson has logged 2-1/2 million accident-free miles since 1966, earning him the designation of Ryder Leasing Company's Des Moines, Iowa District Driver of the Year for 1989.

The Des Moines district encompasses 3 1/2 states and about 2,300 drivers, according to Craig DeWitt, Supervisor of the Leased Fleet. Johnson had been named Driver of the Month in May, 1989, after being nominated by DeWitt.

In addition to a plaque for his accomplishment, Johnson received a gold ring. His wife received a matching necklace and pendant. The Johnsons attended a banquet honoring the winners in March in Des Moines.

Although eight other Northwestern drivers have received Driver of the Month honors, Johnson is the first to be

named District Driver of the Year and to compete for the final title of System Driver of the Year.

DeWitt said he has compiled a file of letters of recommendation from co-workers, friends, and customers that show Johnson is a goodwill ambassador for the company through his positive attitude and demeanor.

In addition, Johnson received a letter of commendation from the United States Department of Transportation for his remarkable driving record.

Johnson's father, Art, started the safe-driving tradition for his son with 42 years of accident-free driving of his own. Although he doesn't know how many miles he drove during those 42 years, he did note that had his son driven his 2 1/2 million miles in a straight line, he would have circled the globe 100 times!

The *Owners Manual* commends both men for jobs well done.

40-year wire customer gets a firsthand look

Officers of Anthony Supply Company, Greenville, IL, located about 45 miles from St. Louis, MO, recently toured Northwestern Steel and Wire Company facilities. Anthony Supply purchases the entire line of NSW wire products and

"We've been a loyal customer of Northwestern for 40 years... We've stuck with them through good times and bad because they make quality products."

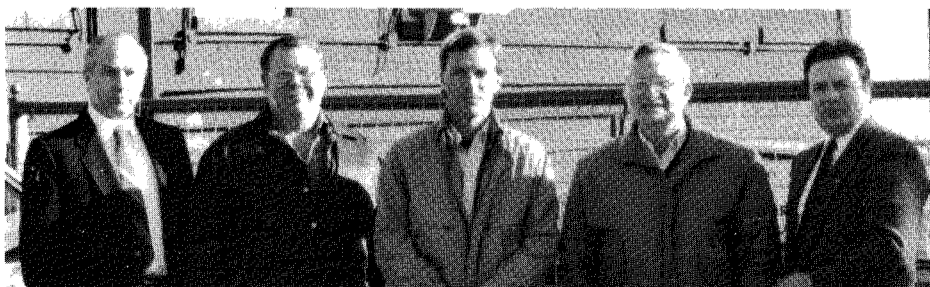
distributes them throughout their sales area, which includes the southern half of Illinois, southeast Missouri and parts of Indiana and Kentucky.

John Anthony, president of Anthony Supply, said, "We've been a loyal customer of Northwestern for

40 years and we plan to continue our longtime business relationship. We've stuck with them through good times and bad because they make quality products. I was very impressed with Northwestern's facilities and the innovative improvements that have been made since my last visit several years ago."

Accompanying Anthony on his trip to Sterling were Pat York, Vice President, and Chet York, Secretary and Treasurer of Anthony Supply. The tour of NSW facilities was conducted by Dennis Redfield, NSW's Manager of Sales, Wire Products Division, and John Asumendi, the NSW territorial salesman who calls on Anthony Supply.

The Anthony Supply account is also serviced by Inside Salesmen Al Lopez and Mike Preston.



Officers of Anthony Supply Company of Greenville, IL, recently toured Northwestern Steel and Wire Company facilities. The longtime customer purchases the entire line of NSW wire products. Pictured are (from left) Dennis Redfield, Manager of Sales, Wire Division; John Anthony, President, Anthony Supply; Pat York, Vice President, Anthony Supply; Chet York, Secretary and Treasurer of Anthony Supply; and John Asumendi, NSW Territorial Salesman.

Employee/owners mark anniversaries on May 1

A number of employee/owners will reach career benchmarks in May with Northwestern Steel and Wire Company. On these anniversaries, *Owners Manual* recognizes the longtime dedication of these valued workers.

35 Years

Clarence Smith, 5/6/55, Carpenter Shop.

Frank S. Crebo, 5/12/55, Billet Caster.

Burl G. Ward, 5/13/55, 24-Inch Mill.

Howard E. Thicksten, 5/18/55, Electrical Plant 2.

Richard A. Jenson, 5/19/55, Over the Road Truck Driver.

25 Years

Duane V. McCune, 5/3/65, Rock Falls Tractor Drivers.

David E. Hadley, 5/13/65, Mgr. Transportation Services.

Alvin A. Barton, 5/13/65, 24-Inch Welders.

Lee Hasbrouck, 5/14/65, Plant 2 Millwrights.

Eddie H. Morse, 5/17/65, Plant 2 Welders.

Robert Knight Jr., 5/24/65, Electric Furnaces.

20 Years

William A. Dewald, 5/4/70, Rock Falls Drawing.

Millwrights.

Walter Miller, 5/13/70, Bale Tie.
Dennis A. Stoudt, 5/25/70, 24-Inch Mill.

Jubencio Mazano, 5/25/70 Rock Falls Drawing.

Charles H. Planthaber, 5/26/70, 14-Inch Shipping.

15 Years

John Wang, 5/1/75, Metallurgy.

5 Years

Jeff L. Lancaster, 5/1/85, Nail Dept.

Michael J. Linden, 5/2/85, Nail Dept.

Nazir A. Qureshi, 5/3/85, 12-Inch Mill.

Michele A. Christianson, 5/13/85, Accounting Dept.

Abraham Estrada, 5/13/85, 24-Inch Mill.

Dan H. Over, 5/14/84, Inside Sales-Wire Prod. Div.

Keith A. Cheshire, 5/17/85, Scrap Yard Section Crew.

Victor G. Reyes, 5/17/85, Mats.

James T. Thurwanger, 5/20/85, Inside Sales-Steel Div.

Barbara J. Desch, 5/20/85, Labor Pool - Rock Falls.

Michael R. Modler, 5/25/85, Nail Dept.

William L. Fichtenmueller, 5/29/85, 24-Inch Mill.

Michael C. Perris, 5/31/85, Mats.



Showing off their trophy awards at the recent "1990 classic" bowling tournament are (from left) Dick Bennett, Teri Hulstrom, Gloria Harting, Fred Tintori and Kari Jacobs.

League may be formed

No effort is spared as 60 bowlers strike gold

Admittedly, there is no "Dick Weber" successor among them, but a league just may be in the making for those who bowled and laughed their way through the recent 1990 Bowling Classic.

"We're mulling over forming a league which would bowl an abbreviated season during the winter months," Fred Tintori, bowling classic coordinator, said.

Tintori organized the recent classic attended by some 60 Northwestern Steel and Wire Company salaried employee/owners.

The tournament, held at Paone Blackhawk Lanes in Sterling, "broke up the winter with some laughs," Tintori said.

The participants, who work in NSW's main and annex offices, each bowled three games and many participated in a strike/spare competition.

The third annual event provided participants with trophies and small cash awards for high and low scores.

Team competition was led by Kari

Jacobs and Fred Tintori. Their composite score for three games was 1,085. Following close behind in second place with 958 pins was the team of Faith Dunn and Dave Hadley. Third place was taken by the team of Kelly McDuffy and Al Lopez. Together, their pin total was 954.

Tintori received a trophy for scoring the highest pin total in the men's division. His single game score was 239. The women's division high scorer was Gloria Harting. She scored a 192.

Special awards for "trying really hard" were given to Teri Hulstrom and Dick Bennett, Tintori said.

The strike/spare winners included Kari Jacobs, Mike O'Malley, Mike Fritz, Debbie Cushman and Don Olson.

"The classic was truly a fun outing and was purely a good time," Tintori said, concluding "Nobody takes the tournament too seriously, so we all have fun."

New highs tallied in March

Workers are still racking up new records

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

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

Drawing Room Shift Record	Old Record
.151 wire for nails	
March 5, 1990 11-7 shift	Sept. 23, 1988 3 to 11 shift
31,170 pounds	30,800 pounds
Mike Kinnaman	Jim Cook

Drawing Room Machine Record	Old Record
.378 wire for nails	
March 7, 1990 3 to 11 shift	Aug. 23, 1988 7 to 3 shift
42,400 pounds	39,660 pounds
Waldon Gibbs	Bill Doering

Drawing Room Machine Record	Old Record
.378 wire for nails	
March 9, 1990 3 to 11 shift	March 7, 1990 3 to 11 shift
42,890 pounds	42,400 pounds
Waldon Gibbs,	Waldon Gibbs

Drawing Room Shift Record	Old Record
20-gauge wire for netting	
March 15, 1990 3 to 11 shift	Nov. 27, 1989 7 to 3 shift
8,860 pounds	8,750 pounds
Ray Pope	Waldon Gibbs

Drawing Room Shift Record	Old Record
.151 wire for nails	
March 21, 1990 3 to 11 shift	March 5, 1990 11 to 7 shift
35,430 pounds	31,170 pounds
Mike Kinnaman	Mike Kinnaman

Drawing Department Shift Record	Old Record
.072 nail wire	
March 21, 1990 3 to 11 shift	Oct. 3, 1988 Unkown
12,790 pounds	12,670 pounds
Paul Brunk	Vernon Ellis

14-Inch Mill 24-Hour Record	Old Record
Flats	
March 7, 1990 All shifts	March 11, 1989 All shifts
2,358.6 tons	2,319.8 tons

Electro-Weld Shift Record	Old Record
2-1/2x2x16-gauge yard fence	
March 20, 1990 7 to 3 shift	April 20, 1989 11 to 7 shift
5,012 feet	4,910 feet
Richard Spotts	Richard Spotts

Field Fence Shift Record	Old Record
47-6-B field fence	
March 23, 1990 7 to 3 shift	Unknown
68	Unknown
Jamie Garcia	164 (estimate)
	Unknown

Checking the stats

February, 1990

PRODUCTION

Department/Mill	Produced (tons)	Performance to Plan
Primary Department		
Raw Steel	110,587	75.1%
Billets Cast	48,038	84.2%
Blooms Cast	48,785	81.4%
Wire Division		
Rod/Wire	3,435.9	N/A
Plant 1	8,690.5	95%
Plant 4	3,739.5	
24-Inch Mill	23,931	106%
14-Inch Mill	23,787	102%
12-Inch Mill	29,270	90%
	Shipped (tons)	Plan vs. Actual
Total Rod/Wire	19,204	- 454
12-Inch Mill	7,158	- 842
14-Inch Mill	25,537	+ 177
24-Inch Mill	23,740	- 1,540
Semi-Finished	12,052	- 2,948

COMPLAINTS

Wire Division Products			
Number Recorded	Reason	By Costs	TOP FOUR COMPLAINTS = 82% OF TOTAL
		\$ %	
54	Order Error	\$9,848 35.80%	
	Rust	6,591 23.96%	
	Service	3,413 12.41%	
	Scratch	2,740 9.96%	
Steel Division Products			
Number Recorded	Reason	By Costs	TOP FOUR COMPLAINTS = 86% OF TOTAL
		\$ %	
77	Price/Frt. Service	\$21,351 29.34%	
	Vendor Defect	21,195 29.12%	
	Order Error	11,190 15.37%	
		8,527 11.72%	

ABSENTEES

Normal Work Hours	Total Absence* Hours	% Absence to Normal	% Jan. 1990
338,552	23,232	6.86%	6.78%

* includes off until further notice, i.e. workers compensation, sickness and accident, discipline, etc. and general reporting off.

OSHA RECORDABLE INJURIES

OSHA recordables are injuries resulting in time loss, sutures or physical therapy needed, industrial illness, etc.	Rate	Rate - Feb. 1989
24	11.76% Rate is % per 200,000 man hours (100 employees working 1 year)	11.83%

Retirement claims 11; careers end March 1st

Eleven NSW employee/owners have retired effective April 1. Owners Manual commends these individuals on their longtime dedication to the Company and extends best wishes for a happy and productive retirement.

35 Years

Delbert Walker, Caster.
Marvin Pursell, Pipe Shop.

34 Years

Raymond Swords, Electric Furnace Cranes.
Max Johnson, 24-Inch Mill Clerk.

31 Years

Atwood Hassell, Plant 3 Millwright.

30 Years

Dean Frederick, Caster.
Willard Mott, Plant 3 Millwright.

28 Years

Denverd Hutton, Electric Furnace Cranes.

27 Years

Richard Santos, Die Room.

20 Years

Robert Hammes, 24-Inch Mill Recorder.

19 Years

Joseph Hostetler, Deferred Vested.

ESOP Corner

Company sets schedule for stock redemption

"When I retire, how do I get my ESOP money?" According to Jim Boesen, Stock Purchase Coordinator for the company, this is the most frequently asked ESOP question.

The ESOP is a retirement plan and, as retirement day nears for participants, the need for an answer becomes more important.

A timetable on the distribution and redemption of shares for eligible participants follows:

Application For Distribution: By the fifth day of each month, a list of retirees, deaths and permanent disabilities during the prior month will be furnished to The Wyatt Company for processing. The Wyatt Company will take this and turn around a distribution form for mailing to eligible participants by the 25th of the month.

Distribution Of Shares: On or about the 15th of each month, The Wyatt Company will process all applications for distribution received back by that day and notify the company of such elections by participants by the 20th of the month. By the end of the month, shares of Class A Common Stock will be issued by the company and sent to participants, accompanied by the appropriate option form and stock power form required for redemption.

Redemption Of Shares Into Cash: All valid, executed option and stock power forms (accompanied by surrendered shares)

received by the company by the 20th of each month will be redeemed, in cash, by the last day of the month.

In total, it takes about three full months after retirement to complete the normal ESOP stock issue and redemption cycle. This cycle becomes more important as NSW nears the end of the Plan Year (July 31). On August 1st, the company will continue issuing stock, but must temporarily suspend share redemption pending a new valuation of the company, which will not be complete until late September.

The company will make every effort to shorten the redemption cycle as NSW nears the end of the Plan Year. However, it is unlikely those retiring after June 1, 1990 will be able to complete the cycle in time to redeem shares by July 31, 1990. Shares redeemed by July 31st of this year will be cashed in at \$29.60. After August 1, 1990 shares will be redeemed at the newly determined annual valuation price per share, which will remain in effect until July 31, 1991.

Retiring employee/owners requesting immediate distribution will receive one-half of their shares as soon as possible after retirement, with the balance automatically issued one year later. The redemption price per share is determined by the date sold to the company and not the date issued.

QIP REPORTS

Recommendations presented

Improvements to dock open doors to savings

A series of recommendations aimed toward improving the main shipping docks at Plant 1 could help ease congestion, improve methods of loading and storage, save the company money by reducing the amount of damaged finished products and increase profits by satisfying more customers.

"Better utilization of our main shipping dock area can only do one thing -- put more tons out the door every day of the week."

QIP Quality Shipping Team No. 7, in a report submitted Jan. 2nd, stated "Everyone is aware of the dollars we spend on detention at our main shipping docks while carriers are waiting to be loaded. Our shipping facilities at the dock haven't really changed in over 50 years. Better utilization of our main shipping dock area can only do one thing, put more tons out the door every day of the week."

The team cited congestion as one of the major problems, largely due to layout, space availability, amounts of storage and inventory, tractor traffic and space taken up by the Receiving Department in handling materials for all departments in the plant. Also of concern is a lack of communications in preparing upcoming orders and the large inventory/storage of posts in the shipping area.

Recommendations included having the Day Foreman look through 3-11 and 11-7 orders, including fence and wire, and have small orders brought down and put in designated racks until shipped; setting up a system whereby the shipping office goes through all orders at the beginning of each shift, checking for orders that can be pre-staged; and checking orders thoroughly before drivers are told where to spot their trailers.

Other suggestions include having a designated area for galvanized wire for Rock Falls and Westwood,

clearly marked with signs, and redesigning of the tagging system to mark the wire; posting signs at the PA elevator on all floors stating the doors are to be closed after use; storing more posts of different sizes in the old descaler area, as well as eliminating selling of posts in quantities less than 200; building wrappers on movable, guarded platforms for easier movement with forklifts and changing their location.

These recommendations, the team pointed out, are small in nature and require little expense. They felt it best not to "sink money" into the old docks considering expansion of the new west dock facilities and construction of the new building west of the Packer building.

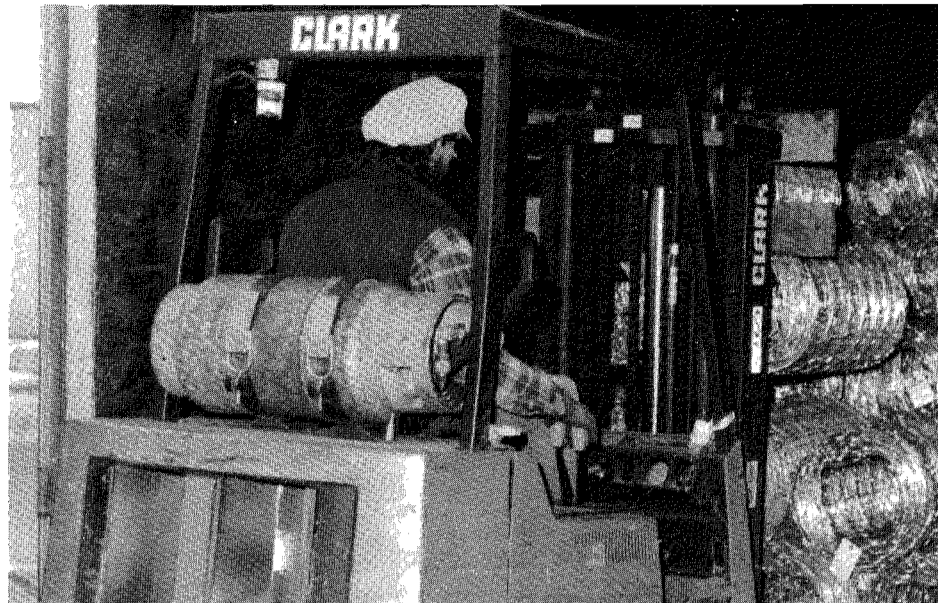
The team recommended, however, that it have "input into the location of the shipping docks, shipping office, receiving area, scales, lunch area, restroom facilities and storage

A series of recommendations aimed toward improving the main shipping docks could help ease congestion, improve methods of loading and storage...and save the company money...

of inventory at the new location in order to enhance the new operation."

Team members include Co-leaders Frank Dubiel and Max Andreas, Co-recorders Lyle Eichelberger and David Gray, and Ernie Lilly, Bill Murray, Terry Steder, Robert Bopes, John Crady, Bruce Elder, Albert Johnson, Arlyn Madsen, Vern Schwenk and Randy Stralow. The facilitator is Lanny Munz.

The Steering Committee consists of Mike Mullen, Don LaFavre, Ron Leuschke, John Reynolds, Ron Kalas, Dennis Hammes, Don Nehrkorn, Tom Clementz, Dave Erby, Bob Sprungman and Tim Wallace.



The NSW shipping docks are congested areas due to the layout and amount of inventory stored there.

Drop roll changes save money, reduce dangers

Beset by mechanical failures on the 14-Inch Mill Furnace drop roll line, members of Quality Improvement Team No. 3 have instituted money-saving changes.

The team, led by Dan Gaffey and Ronald Carroll, recently determined that downtime on the mill, coupled with high maintenance costs, could be corrected with some new equipment.

A \$15,049 pilot project which involved the replacement of a line shaft drive and sprocket and chain drive, as well as the replacement of bearings and rolls, has resulted in a safer and more efficient operation.

The investment also covered the cost of a new pad, gear case and motor. All the work on the pilot project was completed over the Thanksgiving downtime last year.

The improvements are continuing to be monitored.

The team, in its report, noted the furnace drop roll line was rebuilt in 1989 at a cost of \$78,097. Time lost from breakdowns on the furnace drop roll line from September 19, 1988 to October 4, 1989 amounted to more than 54 hours, the team reported. The loss equates to \$123,333. The costs of pulling off roll line covers amounted to \$37,339 last year also. The equipment changes, according to the team,

should save Northwestern Steel and Wire Company about \$152,792.

Another benefit of the implemented changes is safety. By putting the chains and sprockets on in place of the line shaft, the grease has been eliminated on the floor and all surrounding areas.

The criteria for making the changes include the following: inside roll bearings on the roll line were not being greased because of the lines being broken; mill scale and water were getting into the gear case; gears were dropping out of mesh; jogging occurred in the roll line; bearings were improperly lubricated; gears were worn; there was a lack of preventative maintenance; and a lack of safety measures for anyone having to work on the roll line while the mill was running.

Other members of the Team No. 3 are: Ronald Paschal and Jerry Holder, co-recorders; Michael McCaffrey, Dean Reul, G. Lemus, Tom Cornwell, James Gallentine, David Kendrick, Dallas Hodge, Gary Zentz, W.R. McDonald, Lee Gerdy, Simon Olalde, Jr., and William Ricks. The team steering committee is comprised of Chuck Rhode, Dick Frasor, John Slonneger and Max Knowles. The team facilitator is Chuck Bennett.

Committee

(Continued from page 1) committee will be phased out, however, the new titles and assignments will remain permanent. While the four-member committee is shouldering additional responsibilities along with their new titles at this time, there has been no increase

Four new management assignments, as well as formation of an Interim Operating Committee designed to handle decision-making...have been announced.

in their salaries, Maris said.

The interviewing process for a top executive continues in the wake of President and CEO Robert M. Wilthew's announced retirement Feb. 20th. The duration of the committee in providing leadership is unknown. "The interim period will last as long as it takes to have a CEO fully on board," Maris remarked.

Caster team monitors trial runs

Handling methods show promise

A series of recommendations by QIP Caster Team No. 2, involving consistency and safer handling of chill scrap used for caster startups, has shown promising results in recent trial runs.

Among problems pinpointed by the team were variations on diameter and length of chill stock, lack of standard operating procedures for cutting stock and packing machines, and transportation/handling/storage of stock.

The team found reject bolts from RB&W to be consistent in size and ideal packing material. If implemented, bolts can be obtained separate from mixed scrap hauled into NSW, as is the case now. As a backup, the team suggested using cutoffs from the mat machines at Plant 4.

Bringing the alligator shear, located in the west end of the Caster Department, up to safety standards also ranked high on the team's list of improvements. Cited were lack of safety guards and no safe way of handling material being cut. Every time a piece was sheared cut, there would be a rebound (jumping) effect.

"If we could do away with rod coils used to cut chill stock, we could make the job a lot safer," the team reported. "If we could get straight material, it would be a big improvement. This would cut the potential for an accident happening at the shear by at least 50%."

A safety shield to keep material from flying back towards the operator, a foot trip and an emergency shut-off were also recommended for the shear.

"After the shear is brought up to safety standards, we would want to set it up to cut only straight material, not the coiled material. The 12-Inch Shipping Department and East Plant would have to be notified to save all straight and cut material for our use in the Caster Department," the team said.

Team members are Co-leader Loren McCormick, Co-recorders Jerald Dir and Joe Padilla, and members Glenn Kastner, Kenneth Farley, Harold Grimes, Frank Crebo, Michael Oltmans, Dale Klemesrud, Randy Conkling and Ronald Conklen.

Members of the Steering Committee are Norm Woost, Jack Buchanan, Lyle Meiners, Lee Wolfe, David Koncsics and Art Gillihan. Facilitator is Chuck Bennett.

QIP REPORTS

Flat delivery can reduce damage

Estimated annual cost savings of over \$100,000 could be realized from a proposal by members of 14-Inch PCIC to improve the present bundle beds, which have been found to cause damage to the product and sideloaders.

"The team found there is moderate damage on certain products because of the present drop bed," a recent report stated. "Although there are not many formal complaints, the damage has to be as obvious to the customer receiving it as it is to us when we ship it."

"Because of the drops, the uprights, the chains and

sideloaders, we feel there is one out of every ten lifts that have slight to moderate damage," the report continued. "We feel there are an average of seven lifts per shift damaged, or 105 lifts per week, or 5,250 lifts per year at an estimated cost of \$105,000."

To combat the problem, the team has recommended installation of a new flat delivery system. In addition to reducing damaged product, it could reduce an estimated annual cost of \$11,958 in material and labor for broken bands and decrease sideloader damage tremendously. "We now have damage done to forks,

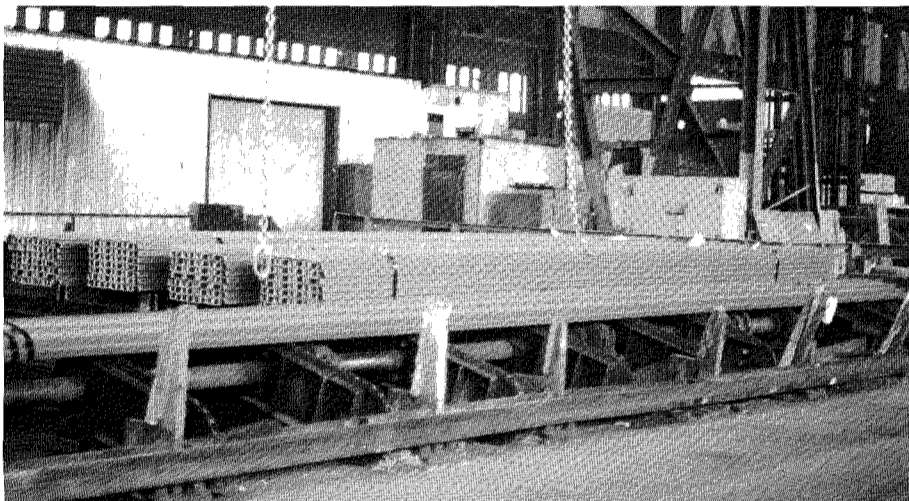
undercarriage, mast bearings and frames," the team noted. Cost savings to sideloaders was projected at \$17,312 annually. The new system would also reduce maintenance on the drops to the tune of an estimated \$7,160. Minus cost of implementation, the team estimated total annual savings of \$113,144.

In conclusion, the team said, "In addition to the monetary savings, the new delivery system will increase customer satisfaction, while improving sideloader utilization. The team feels it will ensure a safer working environment for the tractor drivers

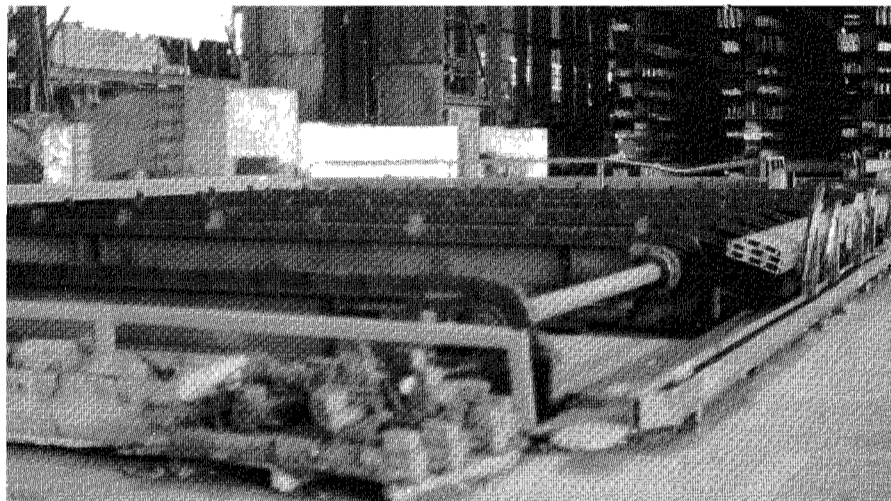
and other personnel working around the piler area. One major, but overlooked benefit of the project would be increased morale of being able to trust a piece of equipment, instead of fighting something that wasn't designed for the job it was doing."

Members of the team are James Hardt, Michael Francis, Joe Ryan, David Branch, Evan Diedrich, Charles Planthaber, Bill Wyatt, Wes Bradley, David Kulas and Chris Erikson.

The Steering Committee consists of Jim Galloway, Ken Church, Ken Boesen, Bob Nie, Bob Elsasser and Bob Czuprynski.



The current 14-Inch Mill racking system has caused damage to the product being stacked and to the sideloaders.



The new racking system could save NSW over \$100,000 by using a flat delivery system which will reduce the amount of damaged goods.

Changes focus on storage room dangers

STEPS taken to end chemical hazards

Thanks to the research compiled by a Labor Management Participation Team, the potential for injury in an underground chemical storage room in the Plant No. 4 Plastics Department is being greatly reduced.

Merle Heckman, Facilitator of the Security Through Employee Participation (STEP) Team, says most

Thanks to the research compiled by a labor management participation team, the potential for injury in an underground chemical storage room...is being greatly reduced.

recommendations made Jan. 5th for increased safety in the mixing and handling of dangerous chemicals in Plant No. 4 have been instituted.

A recommendation for the construction of a new chemical storage room is being reviewed by a consulting firm before it is constructed.

"The team had determined that the current methods of storing, mixing and handling dangerous chemicals in the present underground facilities were unsafe," Heckman said.

"From information we were given by our Safety Department resource people, it was determined that our current methods are unsafe, primarily due to the underground facility having only one entry, and the mixing of chemicals in our underground facility was unacceptable."

To alleviate the problems, the STEP team recommendation for purchasing pre-mixed chemicals has

been accepted. The practice of mixing chemicals for thinner was done in the basement storage area and involved using forced air to feed chemicals from one drum to another. The practice has now ceased.

Heckman said the team's recommendation for the purchase of Factory Mutual pumps has also been accepted. An order for the two rotary drum pumps has been placed. The new pumps will have an output of eight to 10 gallons per minute for

the Plastics Department. The pumps will have a roter design that eliminates jam-ups and has an automatic pressure and vacuum relief.

The STEP team's third recommendation - the construction of a new chemical storage room - is expected to come to fruition once the consulting team completes its review and federal safety requirements are met, Heckman said.

STEP team members included:

Stan Calsyn and Ed Reglin, co-leaders; Jim Pitts and Don Wypasek, co-recorders; Tom Baker, Ron Bruder, Lewis Battles, Mel Berogan, Al Castenada, John Sotelo, Bruce Jackson, Lyle Stern and Ed Culjan.

Steering committee members were: Mike Mullen, Melvin Berogan, Jim Olson, John Tomczak, Todd Beck, Al Turner, Tom Baker, Merle Heckman, Gordon Rolofson, Larry Fisher, Dave Jacobson and Al George.

Thermobond best means of cutting payroll check handling time, cost

A proposal for improving the company's method of handling payroll checks could save over \$9,000 a year, while cutting the number of manhours needed to manually perform the task.

QIP Office Team No. 2, in a report presented Feb. 16th, stated the best possible solution to the problem of "excessive manhours spent counting, folding and stuffing material for company mailings" would be implementation of an automated Thermobond system for processing payroll checks. Most of NSW's other numerous mailings are already being handled in an automated manner through the company Mailing Services or outside vendors.

It now takes eight manhours a week, after printing checks, to process them for factory payroll and an additional four hours a month for salaried payroll, or a total of \$720 a

month. If an additional stuffer is included with payroll, the amount of folding and stuffing time increases by about 50%.

Due to the configuration of the checks themselves, NSW's Mailing Services Department cannot be adapted for payroll.

"Through experimentation by the team, presentations by vendors and by site visits of existing processes, the Thermobond system by Standard Register Company best solves our problems," the team reported. "This process combines the speed needed to handle NSW's approximate 10,000 payroll checks a month with a minimum amount of physical handling. Document integrity and security are not compromised."

The Thermobond unit accepts single sheet, computer print-out continuous forms which it folds and

seals into a secure, confidential one-way mailer. It can process 300 checks per minute, with postage already applied. The system can also be used to process W/2 forms.

The annual cost of Thermobond would be \$6,190, compared with the current system's cost of \$15,299. Annual cost savings of \$9,109 would equate to Thermobond taking two years and 11 months to completely pay for itself. The team also noted that if the proposal is approved, the new system could be operational by June of this year.

Team members are Co-leader Andy Moore, and Co-recorders Lonnie Fisher and Mike Fritz, and Craig DeWitt, Jim Thurwanger, Jeanmarie Hall, Karen Galbreath, Karen Freres, Fred Tintori and Sandy Loos.

HWI honored as 1989 sales hit \$1 billion mark

A plaque honoring Hardware Wholesalers, Inc., was recently presented by Northwestern Steel and Wire Company officials after the NSW customer recorded a \$1 billion sales year.

HWI, headquartered in Fort Wayne, Indiana, is a sizeable account for Northwestern and purchases, for distribution, the entire line of wire products manufactured here.

HWI employs more than 800 people, according to Randy Kipfer, Associate Buyer, Lawn and Garden Products, at HWI.

The company operates five distribution centers. The centers supply 2,900 member stores in the U.S. and Puerto Rico. The 45-year-old company has been doing business with NSW since 1977, Kipfer said.

"We think highly of Northwestern

Change is important to company progress

The concept of "change" is something we can all relate to. More than likely, some aspect of your job, your department or your immediate working environment has undergone some change since you began your career with NSW.

Changes in people, policies and procedures are essential to a successful company. If changes were not made, imagine how dull, outmoded and lifeless your workplace would be.

Realistically, however, changes can produce conflict, confusion and disruption. But these are also signs of life and energy. Why let hostility and resistance interfere?

Resistance to change is a characteristic of human nature. Many of us need security and stability in our lives and wonder, "Why not just leave things the way they are?" But if this were the case, the survival of every company would be at stake. Successful firms are where they are today because of changes, risks and new ideas that helped propel them to the top.

The company's workforce can be

Steel and Wire. The people there are of high quality and they make a quality product. In addition, shipment dates are closely adhered to — something that is vital to our business," Kipfer said.

"We set out at the beginning of our 1989 fiscal year to reach \$1 billion in sales, and I'm proud to say that we achieved it," Kipfer said, noting that NSW's plaque hangs in the company's main office in Fort Wayne.

HWI is a dealer-owned company. Its President is Don Wolf. Ned Wolf serves as the company's Vice President of Purchasing, Hardware Products, and Malcolm Bender is the firm's Head Buyer of Lawn and Garden Products.

The plaque given HWI was presented by Ed Sanders, NSW salesman.

instrumental in smoothing the way for changes. Taking the time to understand why changes are being made is important. It's also vital to determine what benefits, such as increased efficiency, can be derived from the change.

Remember that you are part of a team whose goal is to make this company stand out from the rest. Cooperation is vital. If you all pull together, everybody wins.

If you are unsure about what a new change entails or how it will affect your job — ask. The more you know and the more time you have to prepare, the more comfortable the transition will be.

Employee/owners whose work procedures will be directly affected will often be asked for constructive input.

Willingness to accept change will not only improve your attitude toward your job but, in the long run, will enable the company to discover rapid and innovative solutions to the rising demands of the global steel marketplace.

Steel and Wire Company.

Prior to the visit, Amerhart purchased nails and wire products from NSW for its two Illinois warehouses. After the tour of the Rod and Wire mills, the furnace Department and the Caster, the company elected to have NSW supply all of its warehouses with nails and wire products, according to NSW Assistant Manager of Sales Jim Treacy.

The building material distributor now represents a sizable account for NSW and "establishes a good base for NSW in Wisconsin," Treacy said.

"We are now the vendor supplying all five of Amerhart's warehouses," Treacy noted, adding, "We're currently attending spring trade shows at each of the warehouses. Schiller was impressed with our new nail packaging facility and what Northwestern has to offer."

Accompanying Scheller on his tour of NSW was Al Lopez, NSW Inside Salesman.



A plaque from NSW congratulating HWI on \$1 billion in sales for 1989 was recently presented to HWI officials. Pictured (from left) are Ned Wolf, Vice President of HWI Purchasing; Malcolm Bender, Head Buyer for HWI; Ed Sanders, NSW Salesman; and Randy Kipfer, Associate Buyer, HWI.

New signs help clear the air at Northwestern

"No smoking" signs will be springing up all over the state in public buildings as a result of an anti-smoking law recently signed by Gov. James Thompson. At NSW, "no

THANK YOU FOR NOT SMOKING

smoking" areas are also posted, according to Fred McCloud, Manager of Labor Relations and Employee Benefits.

Smoking is permitted "by designation in areas as authorized by

managers of those areas," McCloud explained. In the plant, non-smoking areas are primarily hazardous areas, such as those with gasoline or flammable liquids. Offices set their own policies. In the private offices, workers can choose to smoke or post signs requesting "no smoking."

If workers are bothered by smoking, managers often try to work out a solution that meets everyone's needs, McCloud continued. With "no smoking" becoming a sign of the times, checking for signs will quickly become a prelude to lighting up.

Additional donations needed

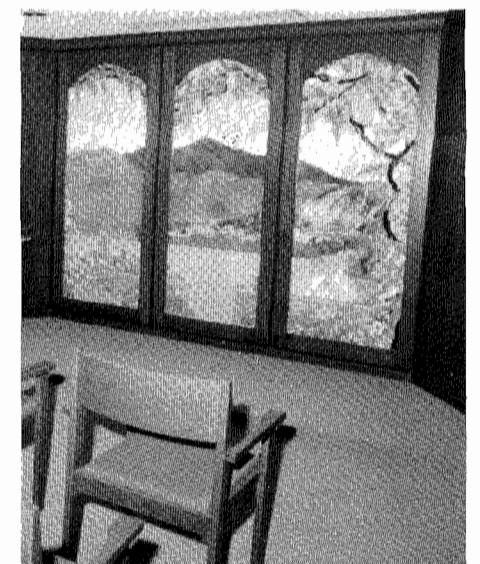
Dillon memorial helps fund chapel at hospital

A new memorial chapel at CGH Medical Center in Sterling, has been made possible through a memorial fund for the late W. Martin Dillon, former President and Chairman of Northwestern Steel and Wire Company.

The Dillon Memorial has defrayed much of the cost of the new facility, according to Lori Muntean, hospital spokesman.

The new chapel replaces a small meditation room the hospital had utilized for many years, Muntean continued. Stained glass windows, created by a local artist who donated his time and talent, grace the room.

Checks are still being received, with future donations to the Dillon Memorial being applied to the remaining debt for the chapel construction.



A memorial fund for W. Martin Dillon has helped the CGH chapel become a reality.

Visit prompts Amerhart to increase purchasing

William Scheller, Vice President of Marketing at Amerhart, Ltd. of Green Bay, Wisconsin, recently toured facilities at Northwestern



NSW Salesman Al Lopez (left) took William Scheller (right) of Amerhart, Ltd. on a tour of the Sterling facilities.

Northwestern Steel and Wire Company
121 Wallace Street
Sterling, Illinois 61081

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