

A Look INSIDE



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The Owners Manual

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

May, 1990

EAP: help is just a phone call away

NSW workers seeking help with some of life's most pressing problems now have a friendly, and confidential, source to turn to - the Employee Assistance Program (EAP). And it's nice to know help is just a phone call (625-8849) away.

Unveiled the beginning of May, the EAP is the product of joint cooperation between the company and its unions, with the objective of making available to workers and their families referral assistance on

such matters as drugs/alcohol dependency, legal and financial questions, emotional problems and marital/family concerns.

"It's a broad brush program offering assistance to workers on a wide range of important issues," explained Jim Gallentine, EAP Manager. "And it's a program for everyone, from CEO right on down to new employees."

It has taken two years of planning for the EAP to become a reality

here. While it is new to NSW, the concept has been used by companies across the nation for many years. Employee assistance programs at Alcoa and John Deere companies were among those researched in order to build the program that best suited NSW's needs.

Although the EAP is located in a company office, the company itself will not become involved in a worker's problem other than the lending of assistance through the

referral program. "The employee/owner's problem is his or her problem, not the company's, but it is a special problem," Gallentine said. "They (employee/owners) are important to us, and we are committed to helping them with this program."

All matters will remain confidential, Gallentine stressed. "No information disclosed to me will go in anyone's personnel file," he (See EMPLOYEE, page 3)

Ladle metallurgy furnace on-line

A projected 6% improvement in caster yield and 8% reduction in electric use are just two of several substantial benefits to be gained by NSW through use of its new Ladle Metallurgy Furnace.

Part of a \$10 million capital improvement expenditure that has also included purchase of two Ladle Transfer Cars and one of two sets of Low-Impedance Electrode Arms, the new furnace went on stream Friday, April 13th.

Due to the sophisticated nature

The furnace is designed in such a way that the ladle in which the steel is tapped from the existing furnace actually serves as the body of the Ladle Met Furnace.

Electrodes are positioned through the water-cooled roof, and once the arc is struck, the refinement process begins.

Advantages of this system are numerous. In addition to better

temperature and chemistry control, approximately 30 minutes have been shaved off the furnace cycle, which better satisfies caster demands. "Our best cycle before was 3 hours 15 minutes," Koncsics noted. "Now, with the Ladle Met Furnace, 900 volt secondary voltage transformer and Low-Impedance Electrode Arms, our cycle should be

around 2 hours 20 minutes, which matches the caster cycle. This will keep the caster running continuously."

The Furnace Department's electric bill, which hovered around \$3 million per month, will also see relief. While it will take several

The furnace is designed in such a way that the ladle in which the steel is tapped from the existing furnace actually serves as the body of the Ladle Met Furnace. Electrodes are positioned through the water-cooled roof, and once the arc is struck, the refinement process begins.

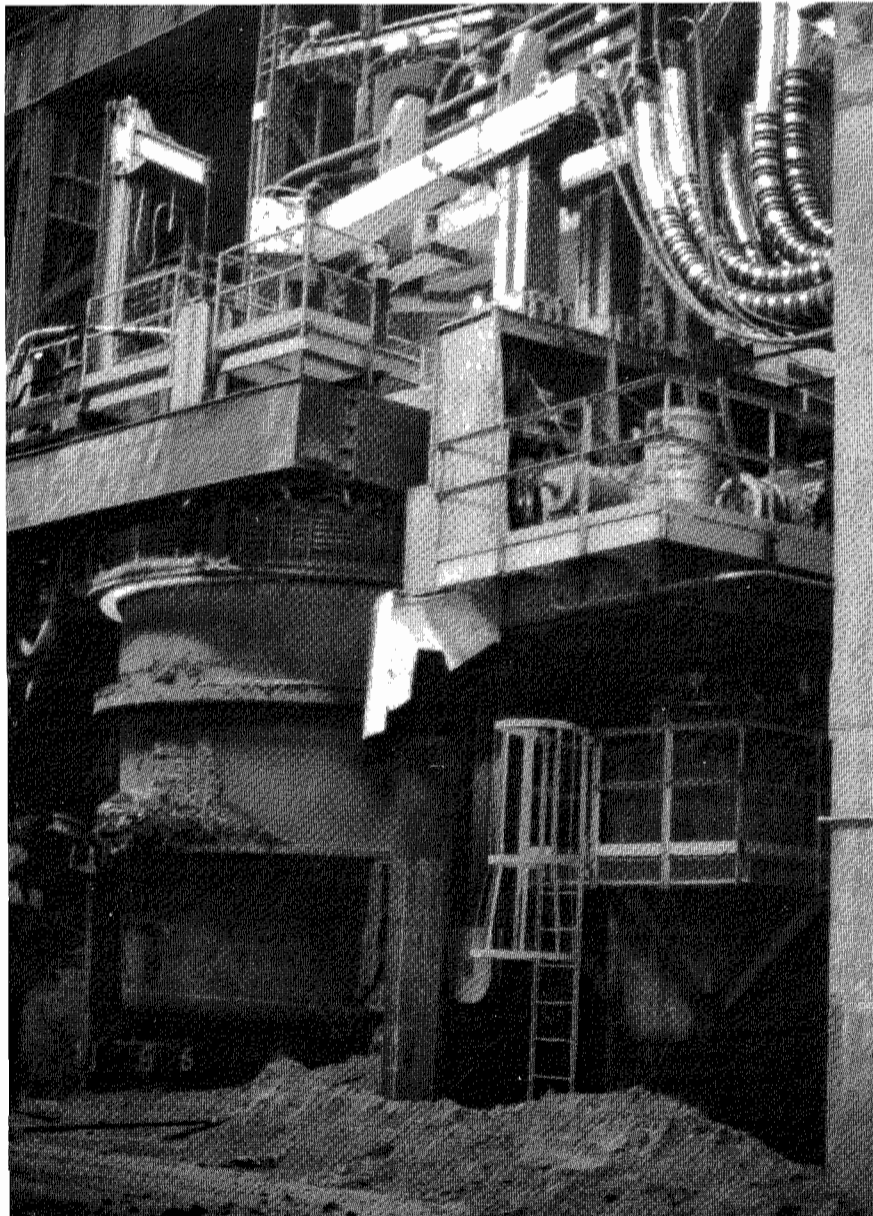
months of operation to determine exact savings, a reduction of up to 8% is being anticipated.

Since the existing furnaces are running at cooler temperatures, there will be less wear and tear on the equipment. The refractories are expected to last longer and there will be less wear on the electrodes. Downtime, which costs the company approximately \$40 per minute, will be greatly reduced, as will chances of breakouts in caster molds.

The Furnace Department's electric bill, which hovered around \$3 million per month, will also see some relief...a reduction of up to 8% is being anticipated.

While those benefits are important—the bottom line is yield, and the company is expecting to realize a substantial improvement along this line. Caster yield, previously pegged at 91%, is projected to improve to 97%.

The Ladle Met Furnace will certainly help achieve this, as will the two other recent improvements. Two Caster Ladle (See LADLE, page 3)



Northwestern's new ladle metallurgy furnace is saving 30 minutes from each furnace cycle and is providing a better temperature and chemistry control.

Advantages of this (ladle met) system are numerous. In addition to better temperature and chemistry control, approximately 30 minutes have been shaved off the furnace cycle, which better satisfies caster demands.

of the equipment, new procedures required and the fact that computerized operations are not yet in place, bugs are still being ironed out. Dave Koncsics, Manager Primary Operations, reported the furnace's "first flawless heat" was achieved April 23rd.

With this new setup, the three existing furnaces serve the primary function of melting scrap at lower temperatures. They are now tapped at between 2,920 and 2,960 degrees, compared to the previous high of around 3,100 degrees. This reduction in heat serves to enhance the quality of steel. "This is a tremendous reduction in temperature and is producing cleaner steel of a much more consistent quality," Koncsics explained.

From the existing furnaces, the molten steel is sent to the Ladle Met Furnace for final refinement, including alloying and temperature requirements. It is brought to the desired temperature of within 130 to 140 degrees over liquidus, depending on the grade.

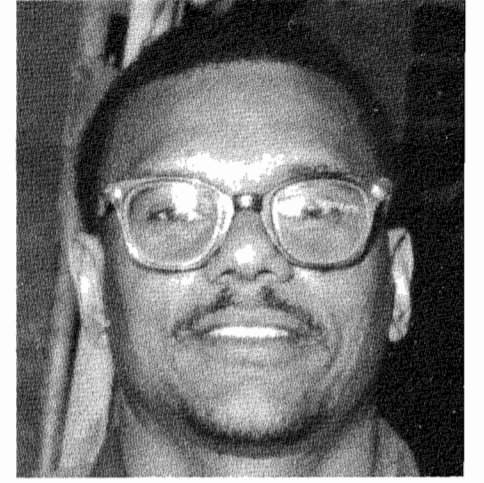
Viewpoint



“What do you think is the greatest company need at this time?”

“I think what we need in this company is more preventive maintenance on things that are tired and worn out and if we have to work overtime to do it then we had better start.”

Allan George
Millwright
Plant 4



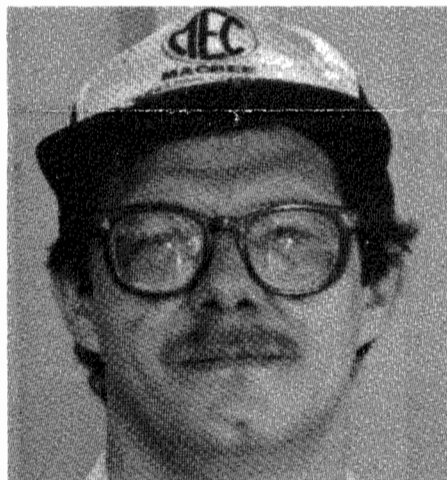
“The company needs higher morale. Morale is low because there is no incentive. We get hats for safety and belt buckles. We’d rather see something in our checks instead.”

Ernie Smith
Wire Layer



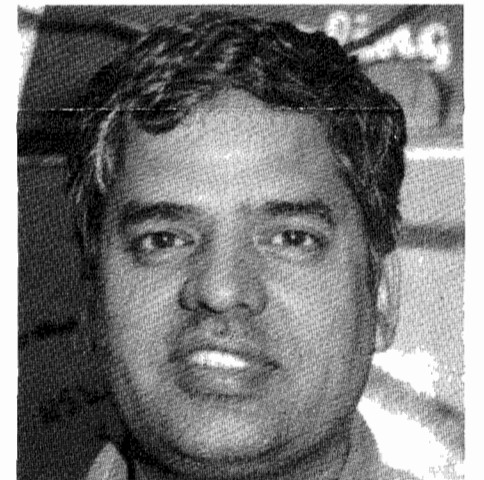
“Buckle down, pull together, work as a team to make this company succeed.”

Ron Adams
Office Manager &
Senior Sales Representative
Steel Division Sales



“Just like any other company - communication. Usually there are so many things that don’t get done due to lack of communication.”

Garnett Stevens
Helper
Wire Galvanizer



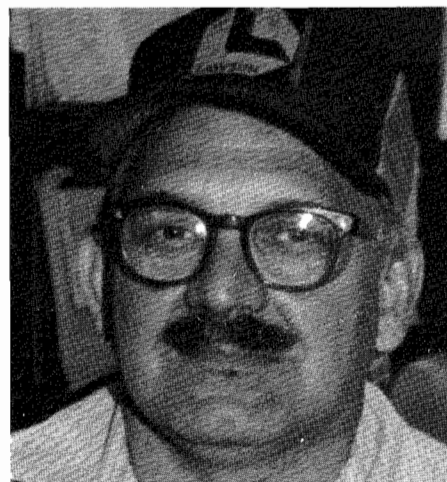
“We need less bosses and better communication between lower management and the employees.”

Nazir Qureshi
Stelmor Operator



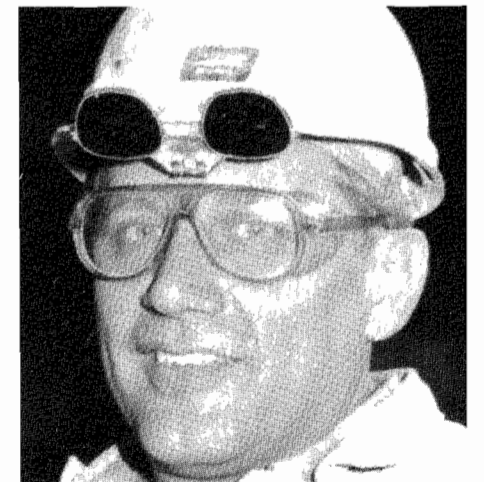
“A new president. And we need teamwork by everyone.”

Lois Fulfs
Telephone Operator



“We need better supervision in job distribution.”

Odis Hudson
Millwright
Plant 4



“Get the other half to work.”

Randy Dawson
1st Pitman
Mold Pit

Improvement expands competition base

Jumbo caster nearing completion

Construction of NSW's Jumbo Beam Blank Continuous Caster is progressing nearly to schedule, with the \$25 million facility expected to be operational by year end.

"The machine foundations and hot bed foundations are complete at this point," reported Dave DeVries, assistant Manager of Primary, in Charge of Casters. "We're just beginning the roll line foundations and the building structure is about 90% complete."

Installation of the caster will enable the company to produce cast beam blanks of up to 27½ inches wide and will provide semi-finished steel for the Northwestern Houston wide-flange beam mill. It will mean a boost in production capabilities of NSW's continuous cast operation in excess of 2 million tons annually.

The new caster will expand semi-finished cast beam blank production from the present 16" width to a width of 27½" to provide beam blanks for the entire range of products to be produced at the Houston facility.

Because of the increased width capability, the Jumbo Caster will be

a direct link to the company's capability to compete on a global basis.

Several new personnel

assignments have been made in relation to caster operations. Effective April 15th, Norm Woost, formerly Assistant Manager of

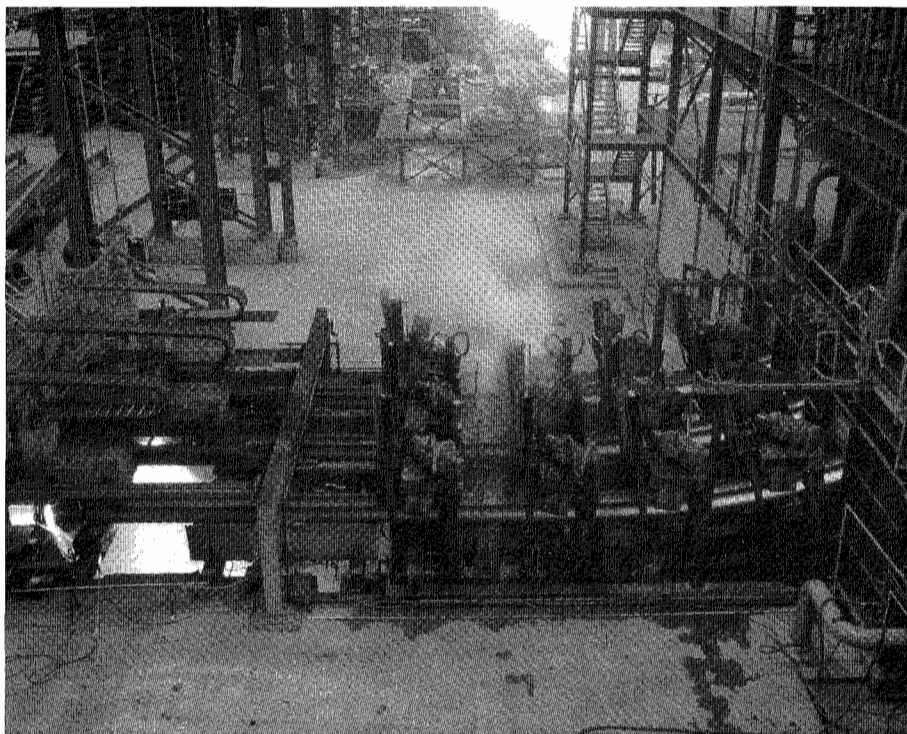
Primary Metals in Charge of Casters, assumed the position of Caster Practice Engineer.

In making the announcement, Dave Koncsics, Manager of Primary Operations, said, "Norm's years of casting experience will be invaluable in conjunction with the new Jumbo Beam Caster."

Woost said his responsibilities include making sure all the correct programs are written up for SOPs and ensuring that the right procedures are being used.

Dave DeVries assumed the position of Assistant Manager Casters, with Bill Boesen replacing DeVries as Assistant Manager EAF. And Mark Babin, formerly a Melter, replaced Boesen as General Supervisor LRS and Pit.

Ground was broken for the caster on Oct. 17th, 1989 as part of a total \$35 million capital-improvement program. SMS Concast of Montvale, New Jersey, is general contractor for engineering design and construction of the caster. The foundation and erection of the building is being performed by United Engineering of Pittsburgh.



Construction of Northwestern's Jumbo Beam Blank Continuous Caster is expected to be completed by the end of this year. At that time, it will enable the company to produce cast beam blanks up to 27½ inches wide.

Program helps NSW reach foreign markets

With the state's assistance, Northwestern is taking steps to position itself to sell its products overseas, a move expected to generate new sales and create new job opportunities.

NSW received the first grant awarded under the Industrial Training Program (ITP) Export Training component. The new initiative is targeted to assist Illinois manufacturing companies in developing training programs that increase a firm's ability to export products or expand export activity to new markets.

"Increasing globalization of the world's economy creates great opportunity to expand the market for Illinois-made goods and services," said Steven D. McClure, Director of the Department of Commerce and

Community Affairs (DCCA), which administers ITP. "Illinois must encourage its companies to develop export markets, markets that can bring new income into our state, nurture company growth, and ultimately, create new jobs," McClure said.

"The Industrial Training Program has been one of DCCA's most successful economic development tools, helping companies train workers for tomorrow's jobs. We have now expanded ITP's focus, with components to encourage export development, upgrade quality, help businesses located in Enterprise Zones and train new entrepreneurs," he added.

According to McClure, NSW offers a fine example. DCCA awarded the company a \$40,000 ITP Export Training component grant to train 20 of its employees in skills needed to sell the company's products to the world's markets. Company officials expect this effort will lead to future expansion and more jobs.

Merlyn G. Bruns, NSW Vice President of Human Resources, agreed, "This training grant could enable our company to generate an additional \$10 million in export sales once our employees have been trained properly in export trade and marketing techniques," he said.

Although Northwestern currently sells its products only in this

country, the recent acquisition of the wide flange beam rolling mill, coupled with construction of the \$30 million caster, promises to position the firm as one of the nation's top producers of wide flange beams, a product with potential for export to Canada, Europe and Southeast Asia.

"Illinois has an excellent reputation for quality," McClure said. "This reputation is valuable to Illinois companies seeking to enter the global marketplace. This new Export Training component is just one more way Illinois can help its companies remain in the forefront of modern technology and global leadership," he said.

Ladle met

(Continued from page 1)
Transfer Cars, operational as of the beginning of this year, are performing up to par, Koncsics reported. Each is capable of holding two ladles and have effectively pared switching time down to mere seconds, improving the number of heats that can be continuously cast in sequence.

A set of Low-Impedance Electrode Arms, installed on No. 6 Furnace in January, has proven to be virtually maintenance free. They increase the power rate to the furnace and have successfully reduced heat times by 18 minutes. A similar set for No. 8 Furnace is on order for installation in the fall of 1990.

All this adds up to a cost savings of approximately \$13 per ton and the satisfaction of having furnace capabilities equal to, if not better than, the company's major competitors. Payback on the \$6 million Ladle Met Furnace cost is expected to be realized in less than a year.

Employee assistance program

(Continued from page 1)
stated.

While some may be reluctant to admit they need help with a problem, Gallentine believes this will diminish once it becomes known he's on their side. "They will need to learn they can trust me. I want to let them know I'm their friend," he explained. "I'm not out there policing the company. I'm really a nice guy."

Gallentine has worked 18 years for NSW and was employed as a pipefitter from 1975 until being named to this new position May 1st. He is also a member of the committee which oversees the EAP, along with Noel Reed, President of USWA Local 63, John Tomczak, President of USWA Local 3720, Vice President of Human Resources Merlyn Bruns, and Carol Price.

Those interested in obtaining information or assistance through the program can call the EAP office at 625-8849. Please leave a message on the answering machine if Gallentine is not in. An appointment will be made to arrange the contacts and referrals. Workers may also be referred to the program by a

supervisor or grievance person.

Gallentine has compiled a referral list of experts and agencies who have agreed to assist NSW workers. For example, there are two attorneys on the list who have said they will meet with NSW clients within 72 hours and who are "competent, qualified and have

expertise in many fields of law," according to Gallentine.

The Employee Assistance Program was kicked off May 1st with a press conference at the main office. Representatives of both union and management were among those attending.



Kicking off the Employee Assistance Program at Northwestern were (from left) Bill Warmbier, Area Supervisor for District 32 of the United Steelworkers of America; John Tomczak, President of USWA Local 3720; Noel Reed, President of USWA Local 63; Merlyn Bruns, Vice President of Human Resources; Dean Brierly, representing Teamsters Local 722; and Andy Hampton, President of the United Plant Guard Workers of America, Local 236.

Worker tenure listed

Employee/owners mark anniversaries in plant

40 Years

Leslie Arvola, 6/3/50, 24-Inch Crane Mechanics

35 Years

Lee A. Matera, 6/1/55, Outside Sales-Steel Division

Warner C. Baxter, 6/14/55, Plant 2 Welders

Leroy Bowman, 6/25/55, Billet Caster

25 Years

Wayne Harrington, 6/2/65, Electric Furnaces

Arlie K. Martenson, 6/28/65, Plant 2 Welders

20 years

Glafiro Garza Jr., 6/1/70, Electric Furnaces

Jack S. Morgan, 6/1/70, Wire Mill Shipping-Clerks

Ronald R. Harrison, 6/2/70, 24-Inch Mill-Clerk

James W. Reinhold, 6/5/70, Scrap

Yard-Section Crew

William C. Weiss, 6/8/70, Outside Sales - Steel Division

Steven L. Grimes, 6/8/70, Wire Mill Inspection

Steven R. Wagner, 6/9/70, Scrap Yard-Switch Crew

George W. Stange, 6/10/70, Wire Mill-Millwrights

Roger L. Wait, 6/15/70, Officer Mgr/Coordinator-WP Division.

Raymond P. Bauer, 6/17/70, Ass't Sales Manager, Steel Division.

James E. Eckert, 6/18/70, Over-The-Road Truck Driver

15 Years

Gerald G. Slater, 6/16/75, Over-The-Road Truck Driver

5 Years

Richard C. Bennett, 6/3/85, 12-Inch Mill

Robert C. Schmidt, 6/8/85, 14-Inch Mill-Shipping

Tradition carries on

Family's employment history relative at NSW

When cotton farming fell on hard times in Arkansas during the 1950's, the Wilburn Long family turned north for economic survival.

Not only did Northwestern Steel and Wire Company provide a job for Wilburn, but for his two sons and 41 other relatives.

Currently, there are 19 relatives, including sons Walter M. and Clyde, on the active employee payroll at NSW.

A list of family members of Wilburn Long employed at NSW now and in the past was recently compiled by the younger Long.

Walter Long, Supervisor of the Galvanizer, says he's "very thankful for the work" given by Northwestern.

His father, 76, invested 22 years of his life in Northwestern. The galvanizer supervisor has worked in various posts at NSW the last 28 years, while his son, Walter W., has worked at NSW for four years.

The other members of the three generations, whose last names include Long, Berry, Mills, Crow, Bragg, Harper, Forbes, Ross, Lubbs, Walker, Leach, Burgard, Jones,

Fieldkesner, Boesen, Pyron, Christian, Welte, Teske, Cardwell and Erickson, have been part of NSW for a total of 756 years.

According to Long's calculations, current active employees have logged 367 working years so far.

"NSW has treated my family and me very well. It helped me to raise two kids and take care of my wife," Long said.

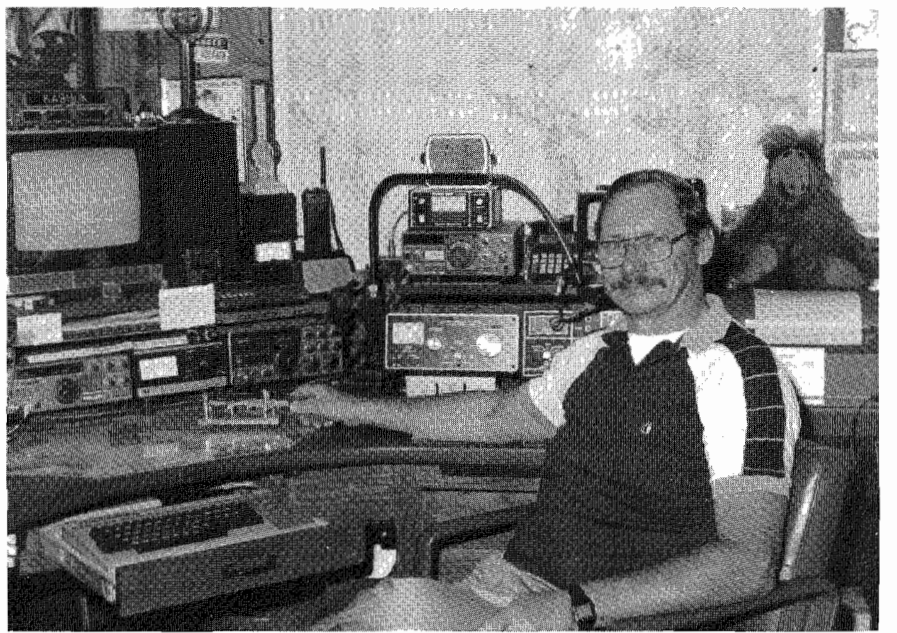
"The people at Northwestern are top-notch, wonderful people," he said. "When my wife became ill with cancer, NSW helped us out with a bucket brigade and benefit fundraiser. I'm grateful to them for their help."

Long says he would encourage any young person to work for NSW. "I've loved my job. As supervisor of the galvanizer, I'm the department doctor, lawyer, referee and psychiatrist—and I love it," he said.

Officially, Long and his family have reunions every two to three years. "But, I get to see so many of them here. It's great," Long said. "We've come a long way from picking cotton as kids for \$2 a day," he chuckled.



A total of 44 members of the Wilburn Long family have been employed at Northwestern since the 1950s. Five family members are pictured above. They are (from left) Walt M. Long, Supervisor, Galvanizing Department; Roger Lubbs, General Supervisor, Nail Room; Wilburn W. Long, retired and father of Walt M. and Clyde Long, father-in-law of Roger Lubbs and grandfather of Walter W. Long; Clyde R. Long, packaging (1 and 5 lb.); and Walter W. Long, 24-Inch Mill, Walt M. Long's son.



Reggie Dahlstrom, Supervisor, Galvanizing Department, is pictured above with his ham radio equipment. He is one of many NSW employee/owners interested in forming an amateur ham radio operators club.

Ham radio operators will tune in members

The formation of an amateur ham radio operators club for retirees and current employee/owners is being researched by a committee headed by Richard Bennett, Wire Products Division Project Engineer.

Bennett, who recently transported his 100-foot transmission tower to Sterling from his former home in Cincinnati, Ohio, hopes to generate interest in a ham radio operators club which would be technically-oriented with a bit of social fun.

"I understand the forming of a club was discussed in the past," Bennett said.

He estimated that there may be between 40 and 50 amateur ham radio operators at NSW.

"My main interest in ham radio is that I get to talk to people from all over the world. I've contacted 302 countries and have 296 cards from those whom I reached," Bennett said, adding that among his most interesting contacts were former U.S. Senator Barry Goldwater and

Jordan's King Hussein.

"Right now I'm working on contacting our U.S. space shuttle astronauts as they orbit the earth," Bennett said. He explained that several astronauts, who are ham radio operators, have taken their equipment with them into space "in an attempt to communicate with those of us down here."

Bennett has been a licensed ham radio operator for the past 26 years, a hobby encouraged by his father before him.

He said he gets involved in ham radio operator contests. The competitions, sponsored by hobby journals, provide awards to those who contact the most people and countries within a 48-hour period of time.

Anyone interested in joining a ham radio operators club or who has ideas for the club's future should contact Bennett at extension 398 or John Reynolds, extension 460, or Jim Bellini at extension 326.

CEO candidate field to narrow to two choices

At a recent meeting of the Northwestern Steel and Wire Company's Board of Directors, it was announced that the executive search firm of Higdon, Joys & Mingle made 14 initial contacts to fill the CEO position vacated by Robert Wilthew. The NSW search committee then scheduled in-depth interviews with the top five candidates. The top two candidates are being submitted to the board of directors for their consideration. Until a decision is made, the current interim management structure will remain in place.

In other business, the board unanimously approved the issue of the C Directors being submitted to the ESOP participants for a re-vote. The board also reviewed the current status of business conditions, financial performance, backlogs, competitive pricing and inventory management. It was reported that, in general, business conditions are positive for the Steel Division, with the pricing structure on certain products remaining fragile. It was also reported that overall conditions in the Wire Division are favorable.

During the meeting, representatives from Houlihan,

Lokey, Howard and Zukin, Inc. explained how NSW's share valuations are determined, based on financial models and a comparative group of steel companies. The second quarter valuation was made available last month.

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Lynn Williams, President of the United Steelworkers of America International; Bernie Klieman, General Council; and Joel Vattendahl, District Director, were introduced and spoke to those attending the meeting.

In final business, the following appointments were made: E.G. Maris, Sterling Coordinating Committee; T.L. Galanis, Houston Coordinating Committee; and J.E. Kelly, Pension Investment Committee and Board Compensation Committee.

Employee/owners continue to KO records

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

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

Wire Galvanizing
24-Hour Record Old Record
 20-gauge galvanized wire
 Dec. 4, 1989 Unknown
 47,100 pounds 46,000 pounds
 All shifts All shifts

Wire Galvanizing
24-Hour Record Old Record
 Various sizes of galvanized wire
 Dec. 7, 1989 Unknown
 114.7 tons 110 tons
 All shifts All shifts

Wire Galvanizing
24-Hour Record Old Record
 Various sizes of galvanized wire
 Feb. 20, 1990 Unknown
 104.2 tons 100 tons
 All shifts All shifts

Wire Galvanizing
Weekly Record Old Record
 20-gauge galvanized wire
 Mar. 26-30, 1990 Unknown
 283,950 pounds 282,000 pounds
 All shifts All shifts

Wire Galvanizing
24-Hour Record Old Record
 20-gauge galvanized wire
 March 27, 1990 Dec. 12, 1989
 49,830 pounds 47,100 pounds
 All shifts All shifts

Barbed Wire
10-Hour Record Old Record
 2 pt. Maverick
 March 27, 1990 May 1, 1987
 7 to 5 shift 7 to 5 shift
 144 spools 141 spools
 Bob Adams Ray Hutchison

Electro-Weld
Shift Record Old Record
 2x4x14 gauge welded fabric
 March 31, 1990 Unknown
 7 to 3 shift Unknown
 3,994 feet 3,540 feet
 John Thayer Unknown

Electro-Weld
Shift Record Old Record
 Garden fence
 April 6, 1990 Dec. 21, 1989
 7 to 3 shift Unknown
 7,353 feet 5,255 feet
 Darrin Eubanks Unknown
 Gary Holcomb

Picnic July 21

A July 21st family picnic is being planned for current and retired Northwestern Steel and Wire Company crane mechanics, welders and mechanical department personnel.

The annual picnic, to be held at Centennial Park in Rock Falls, will begin at noon. The dinner hour is scheduled for 1 p.m. All attending are asked to bring place settings, a meat dish and a dish for sharing.

The event is being coordinated by a committee headed by Glenn Hendryx, Plant 2 Welder. Other committee members are Art Pulsford, George Castle, Fred Howe, Gordon Miller, Wendell Ferguson, Kurt Gillette and Keith Coats.

"We wish to invite all NSW retirees and shift workers," Hendryx said.

Drawing
Shift Record Old Record
 .378 wire for nails
 April 6, 1990 March 2, 1990
 3 to 11 shift Unknown
 47,055 pounds 42,890 pounds
 Waldon Gibbs Waldon Gibbs

Drawing
Shift Record Old Record
 .148 wire for galvanizing
 April 9, 1990 Jan. 31, 1989
 3 to 11 shift 7 to 3 shift
 33,210 pounds 32,470 pounds
 Mike Kinnaman Vern Ellis, Jr.

Coiler
Shift Record Old Record
 17 gauge 1/2-mile electric fence wire
 April 11, 1990 Aug. 11, 1989
 7 to 3 shift 3 to 11 shift
 403 spools 384 spools
 Rick Nelson Gerald Fowler

Coiler
Shift Record Old Record
 16-gauge rebar
 April 11, 1990 Jan. 10, 1989
 7 to 3 shift 7 to 3 shift
 1,080 coils 1,065 coils
 Gerald Fowler Gerald Fowler

Coiler
Shift Record Old Record
 14 gauge 1/2-mile electric fence wire
 April 12, 1990 August 9, 1989
 7 to 3 shift 3 to 11 shift
 552 spools 546 spools
 Rick Nelson Gerald Fowler

Electro-Weld
Shift Record Old Record
 36-inch Diamond-Weld, 50-foot rolls
 No previous record - new machine
 and new product
 April 12, 1990
 11 to 7 shift
 7,575 feet
 Larry Bell

Drawing Room
Shift Record Old Record
 .331 wire
 April 13, 1990 April 29, 1988
 11 to 7 shift 3 to 11 shift
 80,805 pounds 60,910 pounds
 William Cardwell Rory Grooms

Coiler
Shift Record Old Record
 14-gauge 1/2 mile electric fence wire
 April 13, 1990 April 17, 1990
 7 to 3 shift 7 to 3 shift
 340 spools 324 spools
 Rick Nelson Gerald Fowler

Electro-Weld
Shift Record Old Record
 1x2x14 100-foot welded fabric
 April 13, 1990 Unknown
 3 to 11 shift Unknown
 2,095 feet 2,001 feet
 Darrin Eubanks Unknown

Electro-Weld
Shift Record Old Record
 Galvanized welded fabric
 April 13, 1990 March 24, 1989
 7 to 3 shift 7 to 3 shift
 22.5 tons 18.2 tons

Electro-Weld
Shift Record Old Record
 2x4x14 100-foot welded fabric
 April 13, 1990 Feb. 17, 1988
 11 to 7 shift 7 to 3 shift
 12,003 feet 10,050 feet
 Darrin Eubanks Unknown
 Gary Holcomb
 Michael Leaf

Electro-Weld
24-Hour Record Old Record
 Galvanized welded fabric
 April 13, 1990 Nov. 26, 1989
 All shifts All shifts
 61.3 tons 50.3 tons

Electro-Weld
Shift Record Old Record
 36-inch Diamond-Weld, 50-foot rolls
 April 13, 1990 April 12, 1990
 11 to 7 shift 11 to 7 shift
 8,333 feet 7,575 feet
 Larry Bell Larry Bell

Electro-Weld
Weekly Record Old Record
 Galvanized welded fabric
 Week ending:
 April 14, 1990 Dec. 16, 1989
 All shifts All shifts
 294.6 tons 228.2 tons

Electro-Weld
Shift Record Old Record
 2x4x14 gauge, 100-foot rolls, welded fabric
 April 16, 1990 March 31, 1990
 7 to 3 shift 7 to 3 shift
 4,096 feet 3,994 feet
 Wallace Hartman John Thayer

Electro-Weld
Shift Record Old Record
 2x4x14 gauge, 100 foot rolls, welded fabric
 April 17, 1990 April 16, 1990
 3 to 11 shift 7 to 3 shift
 4,217 feet 4,096 feet
 Bruce Treveer Wallace Hartman

Checking the stats March, 1990

PRODUCTION

Department/Mill	Produced (tons)	Performance to Plan
Primary Department		
Raw Steel	139,257	82.7%
Billets Cast	60,462	81.5%
Blooms Cast	62,387	95.3%
Wire Division		
Rod/Wire	3,380.3	N/A
Plant 1	9,450.3	99%
Plant 4	7,360.7	110%
24-Inch Mill	28,289	97%
14-Inch Mill	34,342	118%
12-Inch Mill	33,831	96%
		Shipped (tons) Plan vs. Actual
Total Rod/Wire	24,809	- 12
12-Inch Mill	10,622	+ 2,622
14-Inch Mill	31,002	+ 5,662
24-Inch Mill	31,767	+ 5,917
Semi-Finished	18,551	+ 3,551

COMPLAINTS

Wire Division Products			
Number Recorded	Reason	By Costs \$ %	TOP FOUR COMPLAINTS = 89% OF TOTAL
65	Service	\$16,998 49.10%	
	Order Error	7,695 22.23%	
	Customer Error	3,892 11.24%	
	Shortage	2,327 6.72%	
Steel Division Products			
Number Recorded	Reason	By Costs \$ %	TOP FOUR COMPLAINTS = 86% OF TOTAL
117	Price/Frt.	\$20,314 33.50%	
	Order Error	19,265 31.77%	
	Square	10,223 16.86%	
	Caster Crack	2,608 4.30%	

ABSENTEES

Normal Work Hours	Total Absence* Hours	% Absence to Normal	% Feb. 1990
414,793	20,712	5.0%	6.86%

* 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 11.12% Rate is % per 200,000 man hours (100 employees working 1 year)	Rate - Mar. 1989 16.41%
27		

Sales News

Manufacturing policies discussed

Meeting focuses on sales to fabricators

An all-day information session topped off with an evening dinner and awards presentation comprised the Steel Division's annual Inside Sales Meeting held recently at Rock River Country Club.



Brian Buchanan, Inside Sales Representative, was presented a framed photograph of himself as he appeared in an image ad that has been running recently in national trade magazines.

The event, attended by 18 people, began at 9 a.m. with a panel discussion on "Understanding the Steel Fabricator," conducted by Vern Johnson, Manager of Steel Sales; Ray Bauer, Assistant Manager of Sales, Steel Division; and fabricator consultant Bill Wimberg. The scope of this session, Bauer said, was to give the sales people a better perception of how to sell the steel fabricator, a topic on which the outside sales force was briefed during their annual meeting last November.

Emphasis is being placed on fabricators due to the upcoming increase in wide-flange beam capacity once the Houston facility

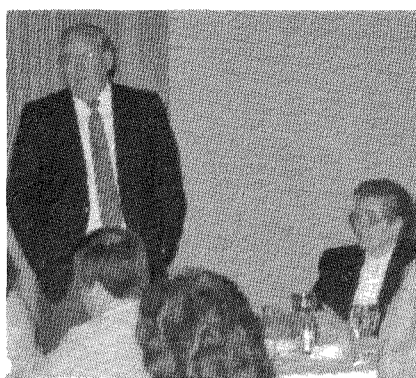
becomes operational. Northwestern Houston Steel is expected to produce 600,000 tons of wide-flange beam products annually, when a five day, three shift operation is achieved. While 11% of NSW's steel shipments got to steel fabricators now, it is envisioned 40% will go to this market from combined Sterling/Houston operations.

The sales force was informed on different types of steel applications (buildings, bridges, etc.), how to ask the right questions when approaching fabricators, who the key contact people are, how to



Mike Quick (left) was recently named Inside Salesman of the Year during the NSW Steel Division Inside Sales Meeting held at the Rock River Country Club. He is pictured with Chuck Biermann, Senior Vice President of Sales.

pursue major jobs (total projects), how to utilize computerized job tracking programs, how the fabricator works up a quote, how bills of material (buy sheets) come into play, and how to handle and pursue sales leads.



Vern Johnson, Sales Manager, Steel Division, is pictured above addressing the group attending the day-long inside sales meeting held recently at the Rock River Country Club.

Overhead slides were used to discuss fabrication terminology and construction definitions, for example, what columns, beams, anchor bolts, etc., look like and how they are used.

The second segment of the meeting allowed those attending to bring up any questions they had about the Sterling/Houston operations. "We spent over an hour on this and covered some good things," Bauer remarked.

The afternoon session covered sales and manufacturing policies, chaired by Chuck Biermann, Senior Vice President of Sales, and Tom Galanis, Senior Vice President of Operations. They explained how NSW will integrate Houston into the total selling policy, as well as how NSW will handle selling opportunities and sales conditions.

In the evening, the sales force and their spouses enjoyed dinner, following which the Inside Salesman of the Year award for calendar year 1989 was presented. Receiving this award was Mike Quick, a 15-year veteran of NSW and a member of the inside sales force since 1986. The award was based on a rating by his peers on the qualities of attitude, helpfulness and getting the job done. Management's perception, based on the yearly performance appraisal, was also a judging factor.

Quick, who has since been promoted to the position of outside sales representative for the company's southeast territory, was presented a plaque, briefcase and pen and pencil set by Mr. Biermann and received congratulations from all.



Vella Simpson, Steno-Correspondent, is pictured above with Chuck Biermann, Senior Vice President of Sales, as she is presented with a photo which is being used on Northwestern's new rolling schedule.



Greg Cox



Jeff Redfield

Quick joins outside force

Gregory Cox will head sales effort in Canada

Gregory E. Cox of Pt. Claire, Quebec, has been selected to serve as Northwestern Steel and Wire Company's Canadian account representative.

Cox, who has been involved with either steel producers or steel distributors since 1974, came on board to help NSW expand its Canadian accounts as well as to better serve present customers.

"I've been working in Canada many years and as someone who knows the market, I think I can aid in client expansion," Cox said.

On board at NSW since March 1, Cox previously worked for Steelinter Canada, a steel trading company which represents Cockerill-Sambre Steel Group, a Belgian steel mill.

Cox is a graduate of Sir George Williams University.

Also selected as outside salesman is Mike Quick. Quick, who has been an inside salesman with Northwestern since 1974, will be responsible for accounts in North and South Carolina. Succeeding Quick on the inside sales staff is Jeffrey Redfield.

Redfield, 23, will serve as an inside sales representative in the Steel Division.

A graduate of Illinois State University, Redfield is a Sterling native. He obtained a Bachelor of Science degree in Public Relations and minored in Business Administration.

Good customer service increases sales success

With competition being what it is today, many steelmakers are taking a closer look at improving customer relations and are finding that satisfying old customers and responding more quickly to complaints is just as important as building up new clientele.

Consider this fact: the average business spends six times more to attract new customers than to keep old ones. Many experts feel emphasis should be placed on regarding all customers as "lifetime partners." Although, in reality, few customers may be lifetime ones, it is felt the company's attitude should reflect the more positive outlook.

According to a recent survey, the number one reason most customers (68%) quit dealing with a certain company is because of an attitude of indifference toward them by the owner, manager or other company employee. Fourteen percent are dissatisfied with the product, while nine percent leave for competitive reasons. Five percent develop other business relationships and three percent move away.

Attentiveness to each customer's needs can be the key to successful sales relationships. The asking of two simple questions, "How are we doing?" and "How can we get better?" can mean the difference between a satisfied customer and a disgruntled one.

The survey also found that a typical business will hear from only four percent of its dissatisfied

customers. The remainder quietly fade away. Many will never come back.

A dissatisfied customer also has the potential to influence others. A typical dissatisfied customer tells over eight people about his or her problem. One in five tells 20. In the same vein, it takes an average of 12 positive service events to make up for one negative incident.

However, customers who are satisfied and tell others are the best advertising in the world.

The way companies resolve complaints can be a major factor in keeping the customer satisfied. Seven out of 10 complaining customers will do business with a company again if the complaint is resolved in their favor. If the problem is resolved on the spot, 94% will do business with that company again.

The bottom line is that companies willing to provide high quality service on an ongoing basis are the most likely to reap the profits. Businesses with low service quality lose an estimated two percent market share a year, while those with high service quality gain a six percent market share per year and charge higher prices.

Finally, practicing the "and then some" principle is the surest way to keep customers coming back. The willingness to go the extra mile, by delivering even more service quality than promised, separates the champions from the has-beens.

Staff changes announced

McConnell named new chief electrical engineer

Northwestern Steel and Wire Company has appointed Andy McConnell Chief Electrical Engineer, effective May 15.

McConnell, a 31-year veteran of NSW, assumes the position formerly held by Charles Bosco. McConnell previously held the title of Electrical Testing Engineer.

A native of Glasgow, Scotland, McConnell came to the U.S. in 1955 following some engineering schooling.

A diploma recipient in Engineering from the International Correspondence School, he's obtained additional training throughout his years with Northwestern.

As Chief Electrical Engineer, McConnell says his main goal is to "redevelop a plant-wide electrical testing program, which is a preventive maintenance program which could save a lot of money down the road."

McConnell began his career with Northwestern as an electrician, then as an electrical foreman. He is

married to the former Shirley Gillispie and they have two grown children.

Jim Patterson, formerly NSW's general foreman of Electronics Instrumentation, Motor Rewind and Air Conditioning, was promoted to Electronic Engineer effective April 8.

Robert Walker, a new employee/owner, assumed the position of Electronic Department Supervisor April 8.

Patterson, who succeeds Jim Branch, who retired January 1, has been with NSW five years. A graduate of United Electronics Institute in Akron, Ohio, he previously worked as a Foreman of Electronics Instrumentation for Bayou Steel in LaPlace, Louisiana.

A native of Hubbard, Ohio, Patterson says he'll be spending much of his time on the modernization of equipment at NSW.

Walker comes to Northwestern from the American Systems Corporation in Norfolk, Virginia, where he was a defense contract engineer for four years.

He previously worked for the Sperry Corporation in Great Neck, New York.

He spent more than 16 years in the U.S. Navy where he attended Naval Electronics School. He succeeds Patterson.



Andy McConnell



Robert Walker



Jim Patterson

Workers help 'by the bucket'

An outpouring of generosity was displayed by Northwestern Steel and Wire Company employee/owners during a bucket brigade for long-time employee Joe Martinez, Jr.

Martinez, who was suffering from cancer and passed away on May 21, 1990, had many friends at NSW, as evidenced in the \$2,771 collected for him during a March weekend.

The brigade, organized by co-worker and lifelong friend Ralph Leal, was held in all NSW plant departments.

"I want to thank everyone who contributed to Joe's family," Leal said. "The support from NSW really meant a lot."

Buckets were manned at all Sterling plants, Plant 4, the Main Office and Office Annex, Leal noted.

Martinez spent his career with NSW as a Plant 2 Crane Mechanic.



Some of Northwestern's Corporate Charities Committee members include (from left) Leonard Amesquita, 14-Inch Mill; Andy Moore, Human Resources; Marv Albrecht, Accounting; Doug Albert, Plant Security and Committee Chairman; Brian Sheley, Track Repair; and Randy Lathrop, Leased Fleet.

NSW charities donate to SVCC endowment fund

Northwestern Steel and Wire Company has joined other local businesses and the federal government in building an endowment fund for Sauk Valley Community College.

NSW's Employee Corporate Charities Committee recently elected to contribute \$10,000 to the college's endowment fund.

The fund, a type of savings account, reached \$548,273 at the end of a one-year fundraising campaign, according to college statistics.

Sauk is one of 33 colleges nationwide selected to take part in the U.S. Department of Education's Challenge Grant Program. Under the program, every dollar contributed to Sauk's endowment fund was matched by a federal dollar.

A total of \$250,000 of federal funds was set aside for Sauk to earn from the government.

Now that the fundraiser is completed, only the interest on the dollars raised can be used by the college for the next 20 years.

The original money stays untouched, generating steady income for the next century.

"An endowment fund for Sauk will insure that higher education of the best quality remains available for all in our community at an affordable

cost," a college brochure reads.

NSW's former Chief Executive Officer Robert Wilthew was a member of the college's endowment fund steering committee.

The company recently received a certificate of thanks from the college from Sauk President Richard L. Behrendt.

Once the 20-year period is up in 2,010, the college should have \$1 million for its use.

According to members of NSW's Corporate Charities Committee, the contribution to Sauk was made for several reasons.

The committee was more than willing to help out a local cause of this nature. While the Sterling and Rock Falls area will benefit from the college, so will many of Northwestern's employee/owners, who are really investing in themselves with their contribution.

Committee members said the federal matching dollars, never before available, made contributing more advantageous for everyone.

The endowment fund should give Sauk a stable source of funds for instructional equipment, scholarships and other special needs, unaffected by yearly changes in enrollment, assessed values, local tax support and state support.

Retiring NSW employees accumulate 288 years

Ten NSW employee/owners, have retired effective May 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

Ronald Schueler, Plant 2 Millwright.

Charles F. Howard, Rod Crew.

31 Years

Gene T. Dalton, Electric Furnace Department.

Guy McConnell, Plant 1 Pipe Shop.

30 Years

David Kester, Electric Furnace Cranes.

29 Years

Henry Janssen, West Plant Machine Shop.

28 Years

James C. Hicks, Plant 3 Weld Shop.

25 Years

Basil Chapman, Machine Shop.
Martin Wright, 14-Inch Weld.

19 Years

Ralph Perales, Plant 4 Tractor Driver.



Quarterly ESOP Share Updates

The following ESOP share update encompasses the first calendar quarter of 1990:

ESOP share balance as of 8/16/88	4,410,125
ESOP share balance as of 1/1/90	4,410,125
ESOP shares issued Jan. - Mar. 1990 (84 participants)	12,986
ESOP share balance as of 3/1/90	4,397,139
Redemption value through 7/31/90	\$29.60
Appraised value as of 10/31/89	\$28.80
Appraised value as of 1/31/90	\$24.75

Improvements at NSW making news

Trade publications interested in projects

NSW is making news! Several leading trade magazines, attracted by the company's innovations, improvements and aggressive approach to steelmaking, have featured updates on the Sterling and Houston operations in articles published since the beginning of the year.

Much of the attention is focused on projects included within NSW's \$35 million capital improvement program. Updates on the three-strand jumbo beam blank continuous caster, ladle metallurgy furnace, low impedance electrode arms and caster ladle transfer cars have been reported in recent issues of "American Metal Market," "The Fabricator," "Metal Center News" and "Iron Age" magazines.

NSW had major play in "Iron Age's" April article which discussed mini mill technology and contained interviews with many of the

nation's top steel producers.

The article covered acquisition of the Houston plant and potential wide-flange beam capacity, comparing it to Nucor-Yamato's new Arkansas plant and Chaparral Steel's anticipated structural expansion. In regard to wide flange beam producers, former President and CEO Robert M. Wilthew was quoted as saying, "The big players will be Northwestern and Nucor-Yamato, which will be producing beams at 1 to 1.5 manhours per ton."

Other articles on Northwestern Houston Steel were published in the "Metal Center News" recap of 1989 and the magazine's March issue. Similar information was printed in two recent issues of "The Fabricator" under the heading of Industry News. The naming of management personnel

for Northwestern Houston Steel was mentioned in the March issue of "Wire Journal International" and the April issue of "33 Metal Producing," the latter of which also contained a newsbrief about the retirement of Mr. Wilthew.

Also, new products produced by NSW's Wire Division have not gone unnoticed. An article in the April issue of "World Fence News" explains that NSW has unveiled its new line of barbed wire and feedlot fencing.

Other NSW aspects are making news as well. A major article entitled, "The Whole (Quality) Enchilada" in the March issue of "Manufacturing Systems" magazine concerns the company's rebirth, its change to ESOP and, according to the article, "a most significant development, the establishment of quality improvement and

participation teams."

The company's success through teamwork was also featured in another magazine, although this time not a trade publication. "Christian Science Monitor," in an article entitled "Company Rebounds Through Teamwork," wrote, "Northwestern Steel reflects the future shock that happens as labor and management in the United States grapple with new roles." The article noted the initial resistance to the QIP program and continued divergence between labor and management views. It states, however, "The workers at Northwestern Steel and Wire Company are standing on the edge of a significant change in the American workplace. Companies of all sizes are looking to solve problems through teamwork and cooperation."

Workers find perfect records pay

Employee/Owners earn awards for safety

Safety awards for 1989 were recently presented to five members of Northwestern Steel and Wire

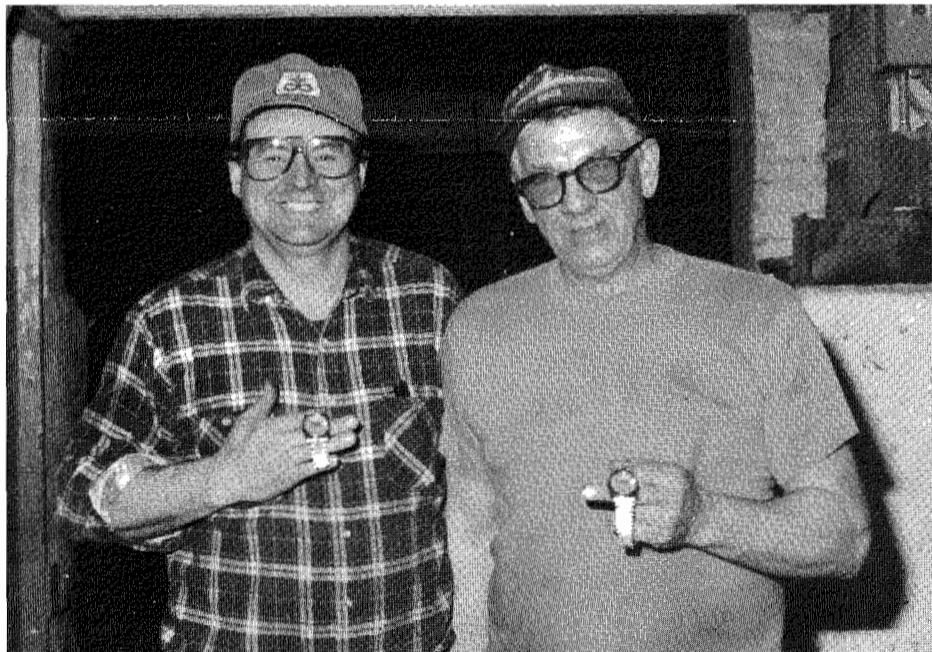
Company's Rod and Wire Division. Three employee/owners from the Bale Tie Department, Larry Wyatt,

Dan Duncan and Arlyn Cain; and two Coiler Department employee/owners, C.J. Watson and Marv Wulf, were presented with watches which contain the NSW logo and the words "Safety Pays...Employee Owned" for their perfect 1989 safety records.

Pete Shore, Bale Tie Department Foreman, said that in order to obtain the awards, each employee/owner

had to work the year free of injury.

Quarterly safety awards are also given out, Shore said. Receiving NSW safety caps for working the first quarter of 1990 injury-free were Tom Hodgson, Julie Edwards, Mike Ackland, Cain, Wyatt, Leon Woodin, Duncan, Ed Crump, Lupe Cantu, Leland Downs, Jamie Oberle, Wulf, Gerald Fowler, Rick Nelson and Walter Miller.



Coiler Department employee/ owners C.J. Watson, left, and Marv Wulf, are all smiles after being awarded NSW Safety watches for their 1989 safety achievements. The two are continuing their perfect safety records through the first quarter of 1990.



NSW employee/owners from the Bale Tie Department show off their awards received for attaining perfect safety records for 1989. Pictured, from left, are Larry Wyatt, Dan Duncan and Arlyn Cain. The three received NSW Safety watches for their efforts.

Salaried golf outing is slated for August 11

Start shining your clubs and practicing those swings, for the salaried golf outing is planned for August 11.

Salaried employee/owners of Northwestern Steel and Wire Company are encouraged to enter the annual event.

This year's golf outing coordinators include Denise Frey, Mike Mullen and Al Lopez.

Cash prizes and gifts will be awarded throughout the day's

tournament at Lakeview Country Club.

Entry fees will be required.

Last year's event drew 66 participants. Awards were given to those with the best individual and team scores as well as for low putts and longest drives.

Information on tee-off times and other tournament rules will be made available closer to the outing date, according to tournament coordinators.

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