

A Look INSIDE



R.N. Gurnitz
is named new
CEO at NSW

See page 2.



Production
on the rise
in Houston

See page 3.



NSW helps
Operation
Desert Shield

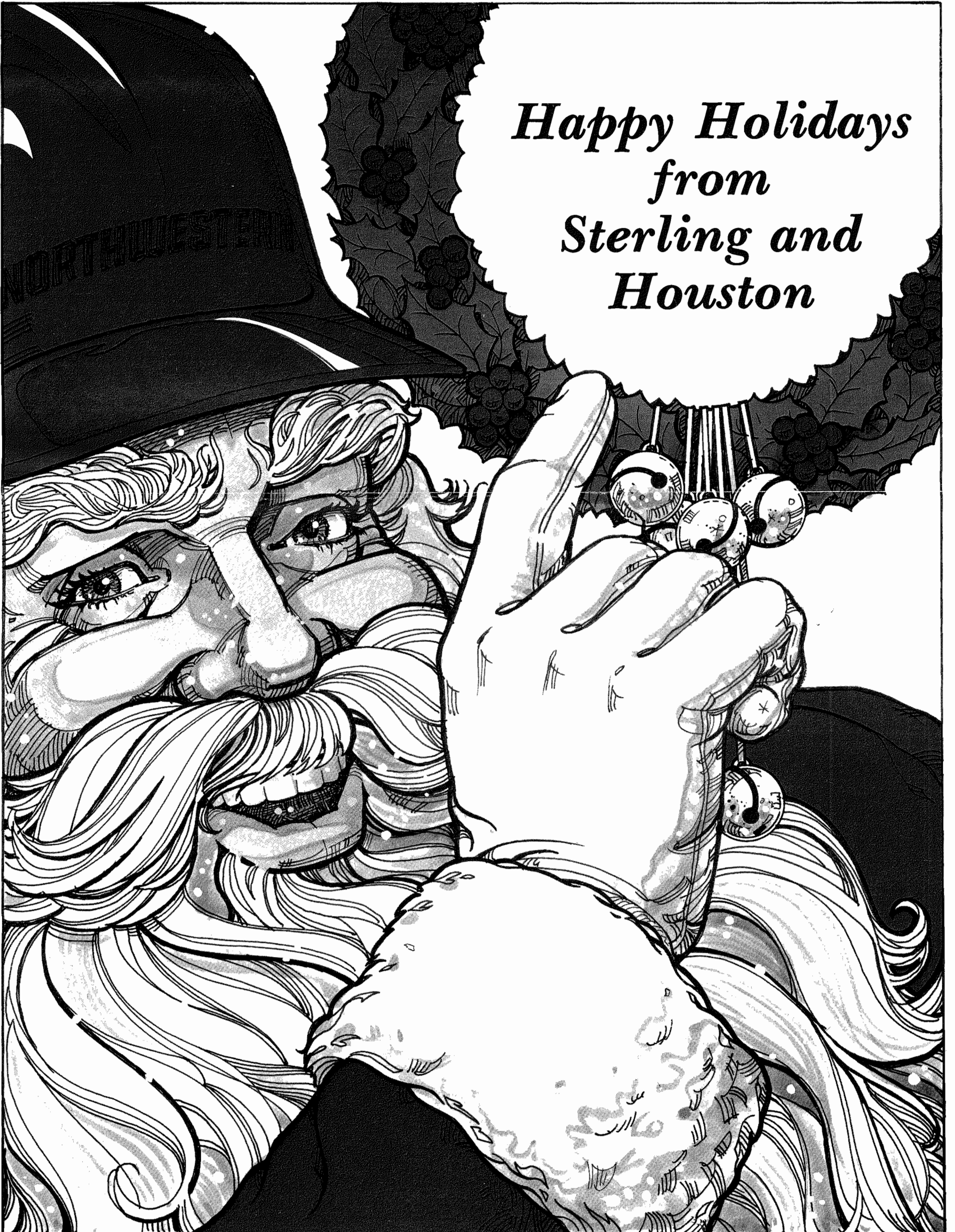
See page 8.

The Owners Manual

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

December, 1990

*Happy Holidays
from
Sterling and
Houston*



Robert Gurnitz to begin in January

Northwestern welcomes new CEO

Northwestern's long-awaited new President and Chief Executive Officer will assume his responsibilities effective January 1, 1991. Robert N. Gurnitz will fill the position vacated by Robert Wilthew in May of 1990, including that as a member of the Board of Directors.

Gurnitz received a doctorate degree in engineering from the Massachusetts Institute of Technology in 1966. He is currently President and Chief Operating Officer of Webcraft Technologies, Inc. in North Brunswick, New Jersey. Prior to joining Webcraft, he was President of Bethlehem Steel's Shape and Rail Products Division, which had plants in Bethlehem and Steelton, Pennsylvania, and which rolled a wide variety of structural

products, including those which Northwestern Steel rolls in both Sterling and Houston. Previous to that, Gurnitz spent 19 years with Rockwell International where he headed a number of their worldwide transportation components businesses.

Michael J. Rosenthal, Chairman of Northwestern Steel and Wire Company, said that the addition of Gurnitz will greatly assist Northwestern in its plans for continued expansion, both domestically and internationally. "We are delighted to have attracted someone with Bob's talents and background to Northwestern," he said.

Northwestern has been searching for a new CEO who could continue

to expand employee-management cooperation. Othel O. Osborn, Vice-Chairman of Northwestern, noted that Gurnitz is a strong believer in employee participation and will facilitate communication between workers at all levels in the company. "Bob Gurnitz is a leader who will work with management and labor to build our company and increase the value of the stock owned by all employees," said Osborn.

Rosenthal indicated that reporting directly to Gurnitz will be Charles H. Biermann, Senior Vice President of Sales; Tom L. Galanis, Senior Vice President of Operations; Edward G. Maris, Senior Vice President and Chief Financial Officer; and Merlyn G. Bruns, Vice President of Human Resources.



Robert N. Gurnitz

Workers trained for upcoming visit

Japanese to conduct JIS inspection

Northwestern has been conducting training sessions for all employee/owners who will be affected by the upcoming audit for certification of the Japanese Industrial Standard (JIS). In January, two Japanese officials from the Ministry of International Trade and Industry (M.I.T.I.) will be visiting Northwestern and inspecting all areas which are involved in the

production of heavy structurals. This includes the Steel Sales Division, Scrap Yard, Primary Department, Caster, 24-Inch Mill, and the 14-Inch Mill. The 12-Inch Mill and Wire Products Departments will not be included in this audit.

Jerry Shinville, General Manager of NSW Quality Assurance, organized these training sessions being given to more than 1,200

employee/owners. The purpose of the training is to make employee/owners aware of why NSW is trying to obtain JIS certification, and to show them the role each one has in the upcoming audit.

The training includes a look at the foreign steel market and the steps NSW has taken so far to penetrate this market. These areas are explained by Sandra Renner and Gary Winget, President and Vice President of Export Resource Associates, respectively.

Export Resource Associates has been working with Northwestern since January of 1990 to research the foreign market and help NSW begin exporting its products.

Winget said with the value of the yen and dollar as they are now, it costs less for the Japanese to buy U.S.-produced steel rather than their own, and it costs more for U.S. companies to purchase Japanese steel than U.S.-produced steel.

This situation is a favorable one for Northwestern to enter the export market because the company will have an advantage over Japanese companies in markets both at home and abroad.

The training also included a video of Mark Foster, the Portland, Oregon attorney who is helping to guide NSW through the JIS application process. The video shows the 150-page completed written application translated into Japanese.

After the completed application is submitted to M.I.T.I., the next step in the process, Foster explained, is the on-site inspection. For Northwestern, this, of course, will be in January.

Finally, Foster said there is a third step, which is quality production

once the JIS symbol is being stamped onto NSW structurals. Foster said it is a great honor to even apply for the accreditation because very few non-Japanese companies make this attempt.

During the training session, Shinville presented what he termed the "brown paper technique," which was to follow one specific job order from beginning to end. This means that every bit of paperwork from the sale to the shipment was tracked for this particular order.

One of the most important parts of the audit will be personal interviews. There are several things employee/owners should keep in mind if they are approached by a M.I.T.I. official to answer a question.

An important element employee/owners should always remember in their answer is the customer. To the Japanese, the definition of quality is "the requirements of the customer." And employee/owners should remember that the customer is not just the company receiving the end product, but also the next department to receive the product as it is being produced.

For example, the 24- and 14-Inch Mills are customers of the Caster and Furnace Departments because without quality semi-finished steel from them, the mills will not produce quality structurals. Employee/owners should try to mention the customer in answering M.I.T.I. officials' questions.

Another area of great importance to the Japanese is education and training. Here, it is crucial for employee/owners to realize that there are many forms of education other than just sitting in a classroom (See JIS TRAINING on page 4)

Damaged panels delay jumbo caster start-up

The new jumbo beam blank caster being installed at NSW-Sterling to supply NSW-Houston with semi-finished steel will begin operation the latter part of January. An improvement has been made in the delayed schedule of mid-February, and the date has been moved up.

Don Morgan, Manager of Services and Engineering, says a delivery truck accident damaging electrical control panels for the motor control centers is the cause of some of the

delay. The panels had to be sent back to Westinghouse in South Carolina to be rebuilt.

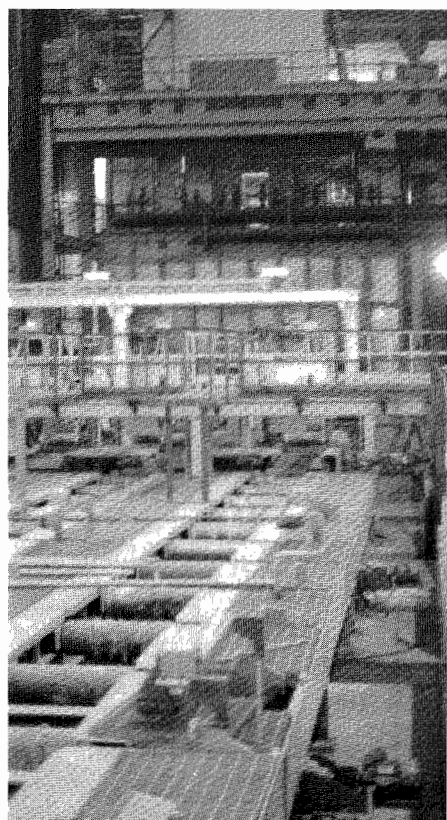
Morgan says another slight delay is that one of the four straighteners has still not arrived. It is expected to be here by mid-December. The straighteners are some of the largest pieces of machinery which have to be set in the new caster, so even just one arriving late delays the schedule.

The foundation work on the new caster is already complete. This was a major part of the construction, according to Morgan. All machinery has already been ordered and delivered, except that mentioned above. With all the foundation work complete, the machinery now needs to be set.

In this time period when NSW-Sterling can only supply NSW-Houston with 16-inch by 12-inch beam blanks from the bloom caster, NSW-Houston is receiving its bigger beam blanks from Inland Steel. The Sterling plant sends Inland Steel ingots which they use to make beam blanks big enough to roll 21-inch to 24-inch beams in Houston.

The new caster will cast the largest beam blanks in the U.S. The largest size cast will be 27-1/2 inches wide by 15-3/4 inches high. It will also cast a blank the same width and 10-3/4 inches high. The heaviest weight per foot (more than 955 pounds) will be in a beam blank 23-3/4 inches wide by 19-3/4 inches high. And the smallest beam blank coming from the new caster will be 17-1/4 inches wide by 15 inches high.

A maintenance area for the new caster is being built simultaneously on the west end of the new building.



The new caster being installed at NSW should be operational the latter part of January. The foundation work is complete and all necessary machinery has been ordered.



Sandra Renner of Export Resource Associates is pictured above as she speaks at one of the JIS training sessions being held in preparation for a visit from two Japanese officials from the Ministry of International Trade and Industry.

Production increases as knowledge grows

Houston plant 'learning' to make quality steel

Production at the Houston facility began slowly in August, a few months later than some had hoped, but everything is now getting back on schedule. In the months of October and November, production and shipping numbers made big jumps due to a few changes.

Tom Galanis, Senior Vice President of Operations, says one reason the figures have increased is because of

"...the start-up of a factory...takes an awful lot of time. You take what you get and then modify it until you get what you want."

the improvement in the learning curve. As workers become more familiar with their jobs, they continually become more efficient.

Even though this occurs with every new employee, it is much more of a factor when there are more than 100 new employees in a brand new operation. Production has also picked up due to the addition of a second shift in early November.

Mike Barber, Vice President and

General Manager of the Houston facility, says there are now a total of 85 hourly employees. This includes 32 plant technicians assigned to production work on the two shifts, 13 assigned to maintenance, and eight employees assigned to a third shift to monitor the furnace and other critical equipment which continue to run through the night.

Barber says that everything is continually improving. "In the course of the start-up of a factory, as you get further along, people become more optimistic when they see fewer problems. Everybody here is still excited and anxious to do the best job possible," Barber explained.

Production began slowly in August and September. When a computer control system problem was resolved in mid-October, production more than doubled over that of September to 7,540 tons for the month of October.

With the full addition of the second shift and a still improving learning curve, November's production jumped to 13,410 tons for the month. This included a record day producing 1,265 tons on

November 14.

NSW plans to see the inventory build come into a balance as shipments begin to equal production during the December and January period. Northwestern has projected shipments/production for December to be 15,000 tons and 20,000 tons for the month of January.

Currently, production numbers appear to be closing in on those projections faster than shipping rates. Shipments for the month of November reached 6,892 tons to compare to the month's production of 13,410 tons.

Ray Bauer, Assistant Sales Manager for the Steel Division, agrees the small shipment numbers

As workers become more familiar with their jobs, they continually become more efficient...(this) is much more of a factor when there are more than 100 new employees in a brand new operation.

are somewhat disappointing, but says the lack of sales stems from normal factory start-up problems.

The Steel Sales Department does not have a complete "sales package" to work with yet since all the sizes to be offered are not being produced, there hasn't been cut-to-length capability prior to December, and there has been limited grade availability. Bauer also says prior unreliable rollings have restricted sales to some customers.

"I think as we get our full size range - and that will be in the spring - and as we develop cut-to-length capabilities and also different grades, shipments will track production fairly closely, Bauer explained.

Galanis expects to see continued improvement in Houston production figures in December after a roll turning lathe and the cold saws are fully active.

The cold saws are an addition NSW has made to the former Armco structural mill. Armco had only used the hot saw, and this created a backup in the line - resulting in a loss of production.

Although the cold saws will improve production, Galanis does expect a slight pause when they first come fully on-line. He expects the same interruption when the new caster here in Sterling begins sending beam blanks to Houston.

Houston will have to trial roll the new semi-finished steel, and it is very hard to predict how long this could take. But, Galanis says so far, Northwestern has had a 95% success rate in being right on the first trial rollings.

Barber says a couple more projects will be complete by the end of December, including the installation of a computer for the furnace and a 40-hour training session for employees on all the electronics, hardware, and software used in the mill. Barber added that the paint marking system to identify structurals will also be in place by the end of December.

Although some may feel a three-month setback is very frustrating, Galanis is not disappointed. He had been in a similar situation before when he was involved in starting up a factory from only a green field. "It's difficult for people to understand the start-up of a factory," said Galanis. "It just takes an awful lot of time. You take what you get, and then modify it until you get what you want," he concluded.

Group effort needed on holiday fund drive

The Christmas Fund for Needy Children in 1990 ended on a disappointing note by raising more than \$2,500 less than last year. This year's total funds came to approximately \$8,500.

Fund organizer Bill Boesen, Assistant Manager of Primary Operations, says this has been a tough year with regular donations down and an extra large turnout at the benefit baseball game earlier in the year causing a drain on the profits to go to the Christmas fund.

Even though the money figures aren't as high as Boesen had hoped, 36 families with 93 children will be having a special Christmas this year because of the fund. The needy children will mainly receive clothing while the younger children will also receive a toy. Each family will be given groceries too.

Boesen says the job is just becoming too large for him and his wife, Beverly, to organize. She acts as secretary-treasurer for the fund and develops files on needy families.

Boesen thinks a group of people would be better able to get a more favorable response around the mill.

"What the fund really needs is a committee of people from all areas - something like the ESOP Contact Committee," Boesen commented.

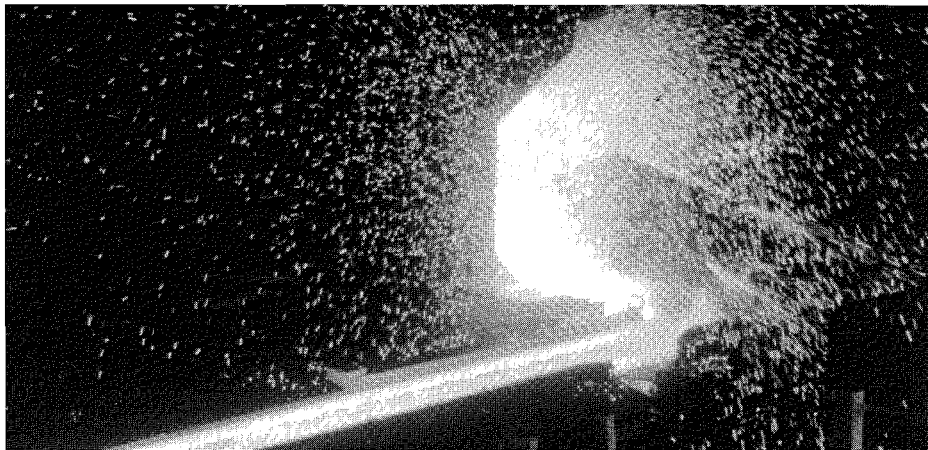
"Each area needs to get involved in their own fundraisers." Boesen explained people can get "burned out" on raffles and selling tickets. New fundraisers, such as golf outings, picnics and bowling tournaments, might be looked into.

In the last big raffle held this year, the Plant 2 General Millwrights won the first place prize of \$1,000 for the second time in two years. These millwrights keep pop in their refrigerators for sale to anyone in the plant, and so they always end up with extra money in their "pop fund." Out of this fund, the millwrights buy \$300 worth of raffle tickets under the stipulation that any money they win will go back into the Christmas Fund.

Other winners in this raffle were Joyce Cantrell, Purchasing, who won \$500, and L.E. Hammelman, the winner of \$250.

Boesen would appreciate hearing from anyone who would like to organize the Christmas Fund in 1991. He hopes he can pass his job on to one or more people next year. Anyone interested can call extension 2485.

Owner's Manual will provide more information in next month's issue on the top donors and special contributors to the Christmas Fund.



Production at the Houston facility has continuously been on the upswing and once a full product size range is available in the spring, production is expected to increase even more.

ESOP Corner

Becoming 100% vested

Beginning with this issue of *The Owner's Manual*, the ESOP Administrative Committee would like to communicate a variety of facts pertaining to participants in an ESOP company. This month's topic is taken from Section 7 of the ESOP Plan.

Section 7. Vesting of Participant's Accounts.

(a) All employees who are eligible to become participants as of August 16, 1988 shall be 100% vested in their accounts at all times.

(b) All employees who are not eligible to become participants as of August 16, 1988 shall be 100% vested upon the first to occur of (i) the participant's attainment of normal retirement age; (ii) the

completion of 24 months of active service as defined below; or (iii) the completion of three years of service. For the purposes of this Section 7(b), a participant will be credited with a month of active service for each calendar month in which the participant completes 150 hours of service.

If any questions should arise from this information, or if there is any subject you would like to see in this column in the future, please feel free to contact one of the ESOP Administrative Committee members listed below:

Jim Olson, 625-3465; Jim Boesen, 625-2500, ext. 2361; John 'Skip' Leach, 625-3465; or Malon Wilkus, (301) 951-6122.



These millwrights who won a raffle recently donated their winnings of \$1,000 to this year's Christmas Fund. They are (from left) Mike Nerstheimer, Larry Onken, Bill Boesen, the Christmas Fund organizer; Ken Huckaba, Lyle Hoyle, George McDuffy and Richard Fotzler.

Policing bills can reduce charges

Common sense saves health care dollars

Rising health care costs is a national problem that everyone reads about in the newspapers every day, and at NSW, ever-increasing insurance costs are a prime concern.

NSW will continue to support legislation and legislators that help the NSW cause, participate in coalitions to better identify problems

Monitor your bills and insurance statements for errors and overpayments, then seek corrective action. Request itemized bills from providers. Payment should only be made for services rendered.

and solutions, and closely monitor the cost effectiveness of insurance companies and administrators, but, these efforts alone will probably not be enough. The real results will occur through healthier, cost conscious employee/owners.

To help reach these ends, each employee/owner is urged to read the following guidelines on how to help contain the cost of health care.

- Be cost and quality conscious when choosing health care services. No one would buy a car without first asking what the price is or comparing prices. This same logic should be used when making a health care purchase.

Ask questions regarding

alternative treatments. Shop for the most cost-efficient pharmacy. Compare hospital inpatient rates. Seek outpatient treatment when possible. Ask your doctor why he is charging over the usual and customary rate accepted by your insurance company. Inform your doctor when you're not satisfied with your progress from his prescribed course of treatment.

- Monitor your bills and insurance statements for errors and overpayments, then seek corrective action. Request itemized bills from providers. Payment should only be made for services rendered. Your hospital bill should be checked as closely as your grocery receipt.

Question charges for services when you can't understand the description of that service. Inform your physician when you feel a particular charge is unreasonable. Check to see that the insurance company hasn't reimbursed the provider as well as you. If you receive two statements from the insurance company regarding the same service, check to see if the provider was paid twice.

- Practice preventive care. Prevention is the best medicine. Getting your teeth cleaned twice a year is always less costly than gum surgery. If you always struggle with the flu, ask your doctor about flu shots. Take medication as directed; never double up or skip a few. Keep

regular appointments for check-ups. Make sure you have your cholesterol, blood sugar, and blood pressure checked regularly.

Don't ignore potentially serious symptoms and wait for them to go away. Inform your physician of any family history of disease. If you don't have a family doctor, consider getting one. Make sure your children are properly immunized. Check the safety of your home. Do you have a smoke detector and fire extinguisher? Are medicines and poisons out of reach of children? Preventing illness or injury is a key to cost containment.

- Develop a "wellness" lifestyle. Health care costs for people who exercise are 50% less than those who don't. Consider joining a health

club or design your own personal exercise program.

If you're overweight, develop a diet plan with your physician. Pay attention to the calories and cholesterol in your diet. Develop habits to help you fight stress. If you have a drinking or drug problem, seek help immediately. If you smoke, quit. The list of smoking related health problems is enormous.

Substitute a drive in the park with a walk in the park. Fight fatigue by eating nutritiously and getting enough sleep. Set aside time for healthy eating rather than picking up a fast food meal. And finally, rekindle the interest you once had in the sporting activity you did years ago.

JIS training

(continued from page 2)

with a teacher and a blackboard.

As Shinville says, "Anything that we can do that teaches us about our job, our company, or our customer is education." Any on-the-job training is a form of education, and this includes a supervisor's written or verbal instructions.

Even reading SOPs or learning something from another person doing the same job are forms of education. Videotapes and seminars are other forms of education.

Here at NSW, QIP/LMPT training, meetings, and presentations are all forms of education, as something new is being learned by at least one person at all of these functions.

Vocational school or classes taken at Sauk Valley College are of course forms of education which may be related to an employee/owner's work at Northwestern.

Education is extremely important to the Japanese and they are very likely to ask a number of employee/owners about their education. If employee/owners will just remember all these other not-so-common forms of education that they have received, they should be able to answer the question easily.

Another important area the Japanese concern themselves with is housekeeping. Shinville says that U.S. steel companies, as compared to steel companies in other countries, are sloppy. But he says that by doing a few simple things, employee/owners can tremendously improve the housekeeping at Northwestern.

"They need to keep their own

area clean -- instead of dropping their candy wrapper on the floor, or leaving some of their work: such as, if they cut a bar and leave half of it because they don't need it, rather than picking it up and putting it in the supply room where it belongs," Shinville explained.

The fact that Northwestern Steel is trying to obtain JIS certification is something for which every employee/owner at Northwestern should feel honored. "The products

In January, two Japanese officials from the Ministry of International Trade and Industry (MITI) will be visiting NSW and inspecting all areas which are involved in the production of heavy structurals.

we make here are very good. We're world class in making structural products. We should be proud of that," Shinville continued.

"We also should be proud of the fact that we have systems in place that allow us to go for these government certified audits. That pride should go beyond just the product; it should go into the process, and it should go into our workplace," Shinville concluded.

If Northwestern is approved for certification by JIS after the January audit, the company will be only the second U.S. steel company to obtain the stamp of approval. And with the certification, NSW will be one step ahead of the competition without JIS approval.

Pole tractors to stay warmer during winter

Pole tractors won't be so difficult to operate this winter thanks to a proposal made by members of the 12-Inch Mill Production Control/Inventory Control Team.

Members of the QIP team were assured during a recent meeting that their request for a winter storage area for pole tractors would be honored.

According to team facilitator Dick Card, modifications are being made at the old sideloader building so that pole tractors can be stored there.

The pole tractors will be kept in the new area, eliminating past cold weather problems of blown hydraulic oil lines and frozen fuel lines.

According to a team study, hydraulic oil lines in past years were a big problem. "The cold weather caused the hydraulic oil to thicken so that when the tractor was started, the pressure would blow the oil lines and oil filters," the report said.

Regular maintenance was also a problem which has now been solved. Additional mechanics have been brought on board to handle breakdowns on all three shifts.

Implementation of the plan has required help from the Electrical Department. Currently, the department is installing a protective wall and door in the sideloader storage and repair building. Work is expected to be completed before winter weather sets in.

Hohn's hobby races the clock down drag strip

Terry Hohn's teenage desire to street-race took a more "civilized" turn when he got involved in the high-speed hobby of drag racing.

A "regular" for many years at tracks such as Cordova Drag Strip and several others, Hohn raced the quarter mile at speeds up to 125 miles per hour in just 10 seconds.

In 1984, the 24-Inch Mill Gauger turned the driving wheel over to his son Todd, and has served as his son's mechanic ever since.

"I've always loved the speed and competition related to the sport," Hohn said, adding "It's a family hobby. We've met many people over the years and made a lot of friends."

A summer of weekend drag racing involves all the members of Hohn's family. "We've done a lot of traveling -- to Florida, Iowa, Indiana, Wisconsin, Tennessee, and Kentucky," he said.

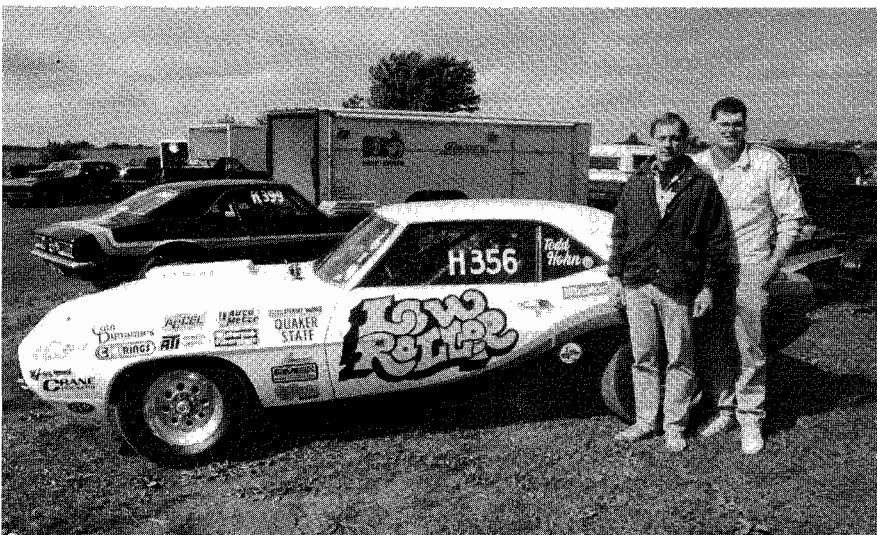
"There's a lot of money to be

made in the sport if you remain consistent and keep up with the 'computerization' trend in drag racing," Hohn said.

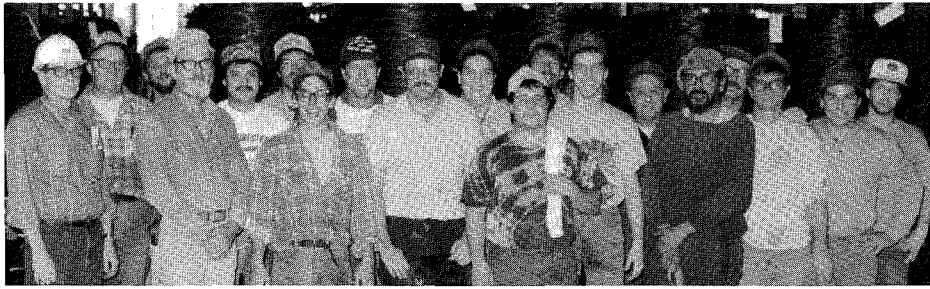
"We were well ahead of the game in our winnings from 1984 to 1988. This year, we may have broken even because my son just graduated from college and is working now," he noted.

To be a winner in drag racing, Hohn says a driver has to have a consistent reaction time all day. As the mechanic, he sees to it that broken parts are replaced on their 1969 Camaro. "I also install a fresh motor and transmission each year -- as well as serve as the 'gofer' for my son," he said.

Hohn, who has been with Northwestern Steel and Wire Company for 21 years, spent most of his years in the 24-Inch Mill. "My job entails gauging the steel as it comes off the mill for correct tolerance," he said.



NSW employee/owner Terry Hohn is an avid drag racer who can race the quarter mile at speeds up to 125 miles per hour in just 10 seconds.



Record breakers from the Drawing Room's 7 a.m. to 3 p.m. shift recently surpassed average production with a new record of 234.4 tons. They include (from left) Shift Supervisor Jim Clausen, Bill Sivits, Lloyd Fulkerson, Don McClarren, Carlos Lemus, Jerry Fullmer, Mark Heeren, Manuel Atilano, Ray Pope, Bill Doering, Terry Mendoza, Dennis Ortgiesen, Dennis Clay, Wally Hay, Ray Gonzales, Larry Adams, Rich Steder, Mike Kinnaman, and Tim Nehrkorn. Not pictured are Filemon Sandoval, Bill Warling, Orlan Ohlwine, Jack Morgan and Vern Ellis II.

Team effort breaks old Drawing Room record

The Drawing Room's 7 a.m. to 3 p.m. shift surpassed average production on October 29 and set a new record of 234.4 tons. This record is recognized because it was set with 26 machines running, rather than the 40 it has taken for a good production of 220 tons on an 8-hour shift.

Dave Erby, Manager of Drawing and Cleaning, says the majority of the credit goes to the men in the Drawing Room, although he says

they could have never achieved the record without a team effort.

"It all had to start in our Primary Department, then to the 12-Inch Mill, and up through our Cleaning House, because without good quality rod going to the drawing machines, this would not have been possible," Erby commented. He also attributed the success in the Drawing Room to the Drawing Room die makers and maintenance personnel.

15 employee/owners mark anniversaries

Several employee/owners will celebrate anniversaries in January. *Owners Manual* recognizes the dedication to NSW these people have shown over the years. Congratulations!

35 Years

Richard C. Ortiz, 1/5/56, 24-Inch Mill Furnace/Conditioning.
Gerald D. Grove, 1/9/56, Cleaning and Coating.
Vernus L. Johnson, 1/9/56, Manager of Sales - Steel Division.
Gordon R. Rolofson, 1/10/56, Manager - Plant 4.
Larry L. Paxton, 1/21/56, Billet Caster.
Alvin Hunsberger, 1/30/56, Nail Room Machinist.
Roy K. Woods II, 1/30/56, Analyst Programmer.

25 Years

Gerry L. Hunsberger, 1/1/66, Manager - Payroll.
Olin O. Cummings, 1/20/66, 14-Inch Mill Crane Operator.

20 Years

Alan F. Beggerow, 1/20/71, 20-24-Inch Shipping and Finishing.

10 Years

Edgar T. Matthews, 1/15/81, Product Manager - Wire Sales Division.

5 Years

Edward G. Maris, 1/6/86, Senior Vice President and CFO.
Mary Lou Smeltzer, 1/8/86, Chief Operator.
David D. Knutti, 1/13/86, Accountant.
Paul L. Lester, 1/13/86, Supervisor of Sales Planning - Steel Division.

EAP helps workers with family problems

How does the Employee Assistance Program work? Here is a fictitious example involving a problem with a troubled teenager.

1. Mother or father of teenage son or daughter calls E.A.P. Office for appointment.

2. Parents and son or daughter come to E.A.P. Office for initial confidential meeting.

3. After meeting with family, it is determined that teen needs professional assessment. This is scheduled with appropriate professional agency.

4. Teen and parents meet with professional, at which time it is determined that teen may have dependency on alcohol and/or drugs and is recommended for inpatient treatment.

5. Family meets with E.A.P. Manager who presents them with list of appropriate inpatient treatment centers from which they may choose one. Together, family and E.A.P. Manager select most suitable treatment center.

6. E.A.P. Manager helps family make necessary arrangements for teen's admission.

7. E.A.P. officials ask teen if they may visit the teen while in treatment and possibly bring friends or relatives to visit. If teen agrees, have him or her sign necessary "release of information" form allowing E.A.P. workers to converse with treatment center personnel.

8. E.A.P. requests the family become involved in treatment center Family Programs. Also, teen will probably become involved in treatment center's Continuing Education Program while there.

9. E.A.P. will continue to stay in touch with Counselor, doing whatever they can to assist teen and family.

10. Upon completion of treatment, teen is asked to agree to an appropriate After Care Plan. The Counselor then sends a copy of this to E.A.P. Manager who works closely with teen in any way to see that he is able to work his After Care Plan. Also assists the family with any type of After Care that might be beneficial to them.

11. E.A.P. continues to monitor and work with teen and family as long as necessary.

Service award choice offered

Effective January 1, 1990, a new Service Awards Program went into effect.

Employee/owners with 20 years or more of service will receive a color brochure illustrating and describing a variety of service awards available to them, depending on their years of service. The service award for 15 years will be a pin or a charm with the company logo.

The service awards are available with jewels signifying years of service. For 15 years, employee/owners are eligible to receive one ruby; 20 years, two rubies; 25 years, three rubies; 30 years, two rubies and one 2-point diamond; 35 years, one ruby and two 2-point diamonds; and 40 years, three 2-point diamonds.

Approximately 30 days prior to their anniversary date, employee/owners will receive the brochure from which they may make their selections. The brochure also contains an order form which should be completed and returned to Jim Hale in the Human Resources Department. Either hand deliver the form or mail it to:

Northwestern Steel and Wire Co.
121 Wallace Street
Sterling, IL 61081

ATTN: Jim Hale

Human Resources Department
"To ensure your selected item is available on your anniversary date, please fill out and return the order form promptly," Hale said.

For more information, call Hale at ext. 2312.

Checking the stats October, 1990

PRODUCTION

Department/Mill	Produced (tons)	Performance to Plan
Primary Department		
Raw Steel	149,936	N/A
Billets Cast	68,097	94.8%
Blooms Cast	67,878	101.9%
Wire Division		
Rod/Wire	3,300	N/A
Plant 1	6,988.6	99%
Plant 4	5,849.0	97%
24-Inch Mill	36,085	102%
14-Inch Mill	29,769	111%
12-Inch Mill	34,298	99%
	Shipped (tons)	Plan vs. Actual
Total Rod/Wire	18,307	+ 902
12-Inch Mill	12,058	+ 1,558
14-Inch Mill	27,294	- 1,248
24-Inch Mill	35,835	+ 3,655
48-Inch Mill	4,620	= 880
Semi-Finished	36,150	+ 4,650

COMPLAINTS

Wire Division Products			
Number Recorded	Reason	By Costs	TOP FOUR COMPLAINTS = 80% OF TOTAL
		\$ %	
105	Customer Error	\$21,019 26.59%	
	Galv. Coating	19,636 24.84%	
	Order Entry	12,686 16.05%	
	Service	10,088 12.76%	
Steel Division Products			
Number Recorded	Reason	By Costs	TOP FOUR COMPLAINTS = 92.5% OF TOTAL.
		\$ %	
70	Caster Crack	\$39,174 40.74%	
	Customer Error	31,065 32.31%	
	Price	11,956 12.44%	
	Service	6,767 7.04%	

ABSENTEES

Normal Work Hours	Total Absence* Hours	% Absence to Normal	% Sept., 1990
399,011	24,424	6.12%	6.48%

* 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 - Oct., 1989
29	12.25% Rate is % per 200,000 man hours (100 employees working 1 year)	12.97%

Unused compounds wasted in Drawing Room

Team sees savings in modified soap box

QIP Drawing Room Team No. 8 decided to work on the problem of the excessive amount of compound and/or grease being used in the wire drawing process on the bull blocks. They found that this was primarily due to the soap boxes that hold the compounds on the bull blocks being larger than necessary.

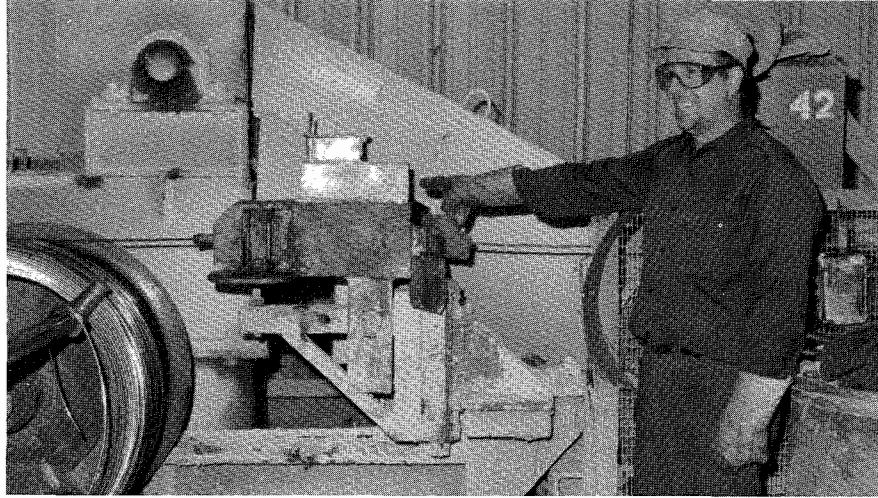
In a recent presentation to the steering committee, the team reported that the compound at the bottom of the soap boxes and soap that collected in the corners of the box never gets used and is wasted.

To correct this problem a new design for the soap box was introduced by the team. They have designed a box half as long, with steel incline plates at the bottom to make the box shallower, which will require less compound.

The team received feedback from the operators on the bull blocks

saying their job is less strenuous with the new design.

The team also suggested that four dollies be placed at each bull block set, three being reserved for



Wire Drawer Dave Billings points out the new soap box Drawing Room Team No. 8 designed and implemented on bull block No. 42.

the compounds necessary for operation and one for used compound. This would help prevent spilling of the compound because the 600-pound storage

barrels would be easier to move. Another suggestion made by the team was to post the prices of the compounds so the operators are aware of the cost to the company when the compounds are wasted.

Although actual savings are difficult to verify, Team No. 8 estimated yearly savings to the company of \$12,000 if their suggestions are implemented. This figure is based on the cost of soaps and compounds used last fiscal year. Cost estimates to implement the recommendations are \$3,198.

Members of Drawing Room Team No. 8 are leader John Lewis, Recorder Larry Slifer, Tom Card, Robert Dir, Lloyd Fulkerson, Mark Heeren, Tim Nehr Korn, Ron Ruble, George Stange, and former team members Gale Bradley, Cedric Patterson, and Tim Wallace. Team facilitator is Lanny Munz.

Accident raises concern for crossing safety

Unheeded warnings cause many close calls

A recent accident at the railroad crossing between the Caster building and Conditioning Yard has caused concern among many people

...this crossing (between the Caster building and Conditioning Yard) has been particularly dangerous since the Caster opened nearly 10 years ago...Hartman wants auto drivers to understand it is their responsibility to watch for the railcars and not vice-versa.

working in those areas.

In late October, an NSW employee/owner driving his truck across the crossing was hit by an engine, causing extensive damage to the driver's side of the truck, but fortunately, no injuries to the employee/owner.



The beam blanks pictured above on the left block the view of the switchman. Because of the blanks, he can't see the truck until the truck is right at the track.

Bill Grant, Supervisor of the Conditioning Yard, says this crossing has been particularly dangerous since the Caster opened nearly 10 years ago.

Large white signs warning auto drivers to stop and look for oncoming remote-controlled engines, were put up about a year-and-a-half ago in an attempt to prevent accidents. But some people still don't heed the warning of the signs.

Grant has seen many near misses and he feels people have been lucky to avoid injuries. "We haven't had anybody hurt yet, but we're really concerned somebody is going to get hurt eventually," Grant said.

Jerry Hartman, Manager of the 24-Inch Mill, says the reason this particular crossing is such a problem is because visibility for both the switchman and the auto driver is poor. The stacks of beam blanks in the Conditioning Yard can prevent

the switchman on an engine approaching the road from the west from seeing an oncoming vehicle. The same is true for that vehicle's driver seeing the engine.

A T-car, which is a small engine used to pull railcars from the Caster into the Conditioning Yard, and an engine hooking up to railcars in the Caster, use the two tracks at this crossing.

When the T-car will be crossing the road, a red light on the west side of the road is turned on and a stop sign is placed on the side of the road. The T-car passes back and forth across the road about four or five times each shift.

The engine hooks up railcars a couple of times each shift. Even though the engine should stop at the crossing and blow its whistle, auto drivers must remember that trains

always have the right of way.

Hartman wants auto drivers to understand it is their responsibility

...the reason this particular crossing is such a problem is because visibility for both the switchman and the auto driver is poor. The stacks of beam blanks in the Conditioning Yard can prevent the switchman... from seeing an oncoming vehicle.

to watch for the railcars and not vice-versa. "We want them to be alert to the dangers of this crossing and to make sure they can always see both ways before proceeding across," Hartman said.

Mucci named to post in the Roll Shop Mill

Effective October 1, John Mucci was named Roll Shop Mill Practice Engineer. Mucci filled this position after serving as a design/draftsman in the Engineering department for 12 years.

Mucci's primary responsibility will be programming the Binns Lathe in the Roll Shop. This lathe is programmed through computer numerical control (CNC).

His additional responsibilities include making studies of mill rolling procedures to develop improvements in rolls, guides, rest bars, and roll

Applications for summer employment being accepted.

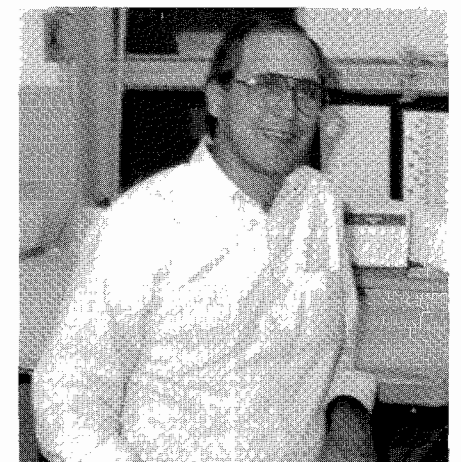
Applications for summer work will be taken December 26, 27, and 28. Interested students should apply through:

Illinois Job Service
2323 E. Lincolnway
Sterling, IL 61081

buildup for all the mills.

A graduate of the University of Illinois at Urbana-Champaign in 1974, Mucci holds a bachelor's degree in landscape architecture, and he has also completed a two-year technical degree in mechanical engineering at Morrison Institute of Technology.

Mucci resides in Morrison with his wife, Kay and their four children.



John Mucci

In your corner

To all Northwestern Steel and Wire and Plant 4 employees:

Thank you so very much for the gate collection taken up to help defray expenses that we've had

during the illness of our son, Mike Tiemann. May God bless each of you for your concern. Thank you.

Dick and Shirley Whaley

New carrier design may prolong a spindle's life

When the 24-Inch Mill was built in 1962, the spindle carriers that were installed were "temporary." But those same spindle carriers are still being used today. Their inefficiency costs the company thousands of dollars each year. The 24-Inch Mill Team No. 1 made a presentation to the steering committee with a solution to the problem.

Spindle carriers support the spindles which turn the rolls in the roughing and finishing mill. Problems caused by the old spindle carriers include lost time due to changing spindles and worn spindle boxes, lack of adjustment and spindle support, damaged and worn out hanger bolts, and cost due to excessive wear on pinion bearings, pinion pods, and pinion boxes.

With the design of the present spindle carriers, hanger bolts are not protected from cobbles. As a result, the hanger bolts are often bent and damaged, and are no longer adjustable.

Many spindle carriers are not level. This causes the spindles to flop as they turn. The flopping action of the spindle creates excessive wear on the pinion. The team estimated the cost of repairs to one pinion from April 1989 through March 1990 to be nearly \$5,500.

Part of the present design includes a 15-inch channel with a wooden block resting on top supporting the spindle. The team found that the channel was not strong enough to support the average 1,890-pound

spindle. If a spindle carrier is not level, the channel is also bent. This allows the wooden block to fall out, leaving no support for the spindle.

To solve the problems, the team created a new design and built a new spindle carrier which they will monitor for six months. The new design keeps the bolt and spring on the exit side so they are protected from cobbles. The carrier gives better support for the spindles because the spindle pivots on an arm which is connected to the tension spring. The team also suggested building up and machining all spindles to be as true as possible; many have become warped due to insufficient support beneath them. The team estimated the cost for their recommendations at roughly \$4,000 for each roll stand.

The team has monitored their new spindle carrier since April of this year and are very pleased with the results. There have been no repairs on the pinion due to excessive wear, and it has not been necessary to replace the coupling boxes.

The steering committee agreed this design should be implemented throughout the 24-Inch Mill.

Members of 24-Inch Mill Team No. 1 are co-leaders Dean Dace and Alex Rios, Dave Ballard, Jon Cooper, Ed Eubanks, Corky Goodell, LeVern Howell, Bob Knapp, Al Roman, Ricky Smith, Ron Spencer, and Bob Wilkey. The team facilitator is Dick Card.



NSW employee/owner John Law poses with the record book caribou he tagged this summer in a subarctic region of Canada.

Law's bow tags prize buck on caribou hunt

Most people don't pick the subarctic as their vacation spot in August. But that's where NSW employee/owner John Law and his son Jason chose to go this past summer. Their reason for leaving Illinois' 80 degree weather and heading for a region with temperatures in the 30's was to hunt caribou.

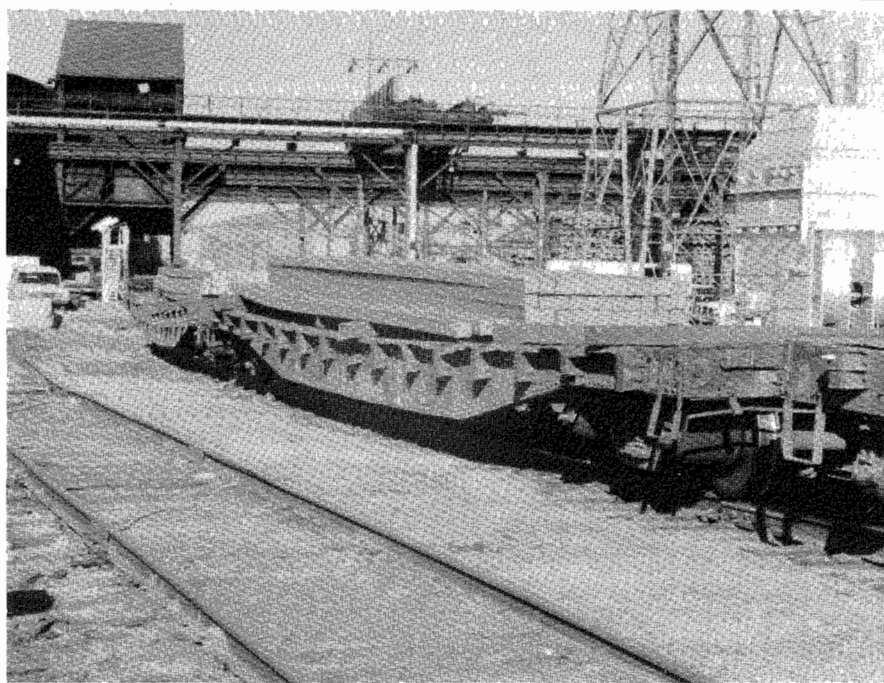
This was Law's second trip to an area about 1,000 miles north of Montreal, Canada. Last year he didn't bring home one caribou. This year his 16-year-old son Jason went along and his luck changed.

The first four days of the trip, Law and his son did not see one caribou. But on the fifth and final day, small groups of three to seven caribou moved through their hunting area. Law and his guide decided to let Jason use a rifle because stalking with a bow and arrow was so difficult.

Within an hour, Jason shot a large bull at 100 yards. Another hour later, Law's 30 years of bow and arrow experience paid off. He tagged a record book caribou with a running shot at about 15 yards. Later that day, Jason hit the next largest bull at 200 yards. The men were allowed two caribou each.

Law's record will be entered in the Pope and Young Record Book. It is officially measured 60 days after the kill. Several measurements of the horns are taken to determine its size. Law's bull will be in the bow category for its particular species. There were six men in Law's group, and of the 11 caribou successfully hunted, Law's was the largest.

Law says one of the most exciting parts about their trip was videotaping his son hunting and killing a caribou. Their guide also captured Law's bow and arrow kill on videotape.



The bent billets on this railcar are a result of blocks which vary in height and are spaced too far apart to fully support the billets.

Support racks to keep billets on shorter cars

Engineering and Support Team No. 3 recently made a presentation to their steering committee on the problem of billets being damaged while carried by railcar.

One cause of the problem is that the cars are not level and can be off by as much as a foot from end to end. Also, very often the blocking varies in height by as much as 2-3/4 inches. The blocking also varies in spacing and length, causing the billets to sag between the blocks and bend out of shape. If blocks are too short, billets on the far side will hang over the car where a block should be supporting them.

Another cause of the problem is the lack of side supports. Without

By implementing the... suggestions, cost savings to the company could be approximately \$95,751 per year.

these side supports, vibration can cause the billets to fall off the car. The team monitored the number of billets that fell from cars during the period of January 2 through April 10 of this year, and found that 31 billets fell and were scrapped during this time at a total cost of \$4,654.

Team No. 3 suggested that if the cars were shortened from 53-1/2 feet to 45 feet, they would have better maneuverability and permit more cars at a time in the Caster building.

As a solution to the problem of billets falling from the cars, the team suggested installing racks with standardized, even-spaced blocking. The racks would include side posts to prevent billets from falling from the car and handrails at the ends for the safety of the

switchman.

Team No. 3 has one 45-foot car with a rack in service now. The team will monitor the car's

...if the cars were shortened from 53-1/2 feet to 45 feet, they would have better maneuverability and permit more cars at a time in the Caster building.

performance for six months and make corrections as necessary.

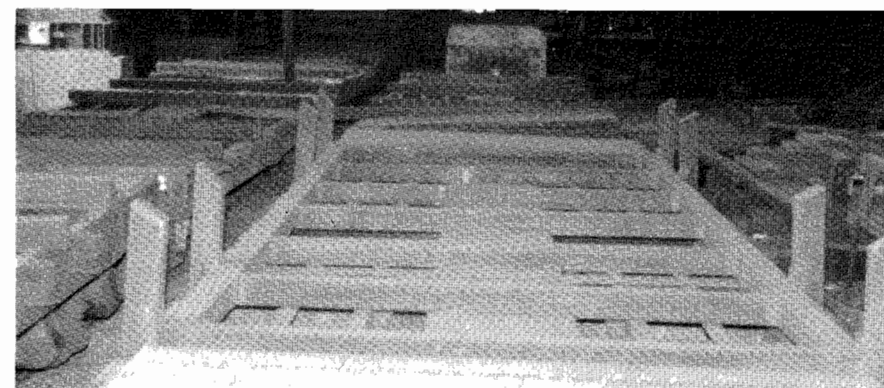
By implementing the above suggestions, cost savings to the company could be approximately \$95,751 per year. The savings reflect the cost of billets which presently have to be scrapped because they are bent or fall off cars. There may be additional savings in providing safety for the switchman, since one recent accident has cost the company more than \$150,000.

The cost of implementing the team's suggestions will be

As a solution to the problem of billets falling from the cars, the team suggested installing racks with standardized, even-spaced blocking.

approximately \$2,718 for each car.

Members of the Engineering and Support Team No. 3 are co-leaders Jerry Fry and Arnie Myers, Al Burkett, LeRoy Compton, Lou DeMay, Bill Eberly, Wayne Hendryx, John Kelly, Dave Kierczynski, Bob Mundt, Bob Wadsworth, and Carroll Whitlock. The facilitator is Dick Card.



The new rack that Engineering and Support Team No. 3 is currently monitoring features sideposts, evenly spaced blocking and flooring on which the switchman can stand.

NSW AND OPERATION DESERT SHIELD

Extra effort ensured order met specifications

Northwestern's wire mill helps Desert Shield

Not only has the Rock Falls National Guard been called to Saudi Arabia for active duty; one of Northwestern's wire products has too.

An order from the U.S. Government came in for 385 spools of barbed wire to be used for Operation Desert Shield. Wire

...the handling of a government order is very different from an ordinary one, mainly because of all the paperwork involved.

Division Salesman Dan Over says the handling of a government order is very different from an ordinary one, mainly because of all the paperwork involved. Over says he was surprised, though, by some of the unusually "speedy" action by government offices.

Desert Shield is top priority, and there were even expeditors in Chicago calling Over to make sure the order was going to be shipped on time. Even payment went smoothly with this order.

"You would normally think that with the government paperwork and with bureaucracy, you'd have an awful lot of trouble getting your money in a situation like this. But actually, the money came through very quickly," Over explained.

On the production end of the order, there was even more paperwork and numerous government specifications to meet. Dick Schuchard, General Supervisor of Wire Products Quality Assurance, says the government required American Society for Testing and Materials (ASTM) standards for the order.

These included a detailed check on one of every 50 spools produced for a certain weight of zinc coating

on the wire, proper spacing between the barbs, and correct barb length. The government sent Schuchard all the necessary forms to fill out for each specification which had to be met.

Schuchard says most of these standards required inspections that his department usually doesn't record formally. "Normally we spot check the finished barbed wire product. It's the responsibility of the



Fort Ord in California was the destination for this barbed wire which was ordered by the U.S. Government for use in Operation Desert Shield. The wire was then sent on to Saudi Arabia.

operators in that department to produce a quality product," Schuchard said.

Along with the extra inspections on the finished product, the Quality Assurance Department still had to inspect the wire before it went into the barbed wire department, as they normally do. In fact, the wire stems to be used for Desert Shield were kept separate because these stems had been produced according to the government specifications.

Rather than take wire from stock, the Drawing Room drew the wire specifically for Desert Shield, and this wire was then given additional checks to assure the proper weight of zinc coating was applied when run by the Galvanizing Department. Even each spool of barbed wire was kept separate as it was produced.

Schuchard says a team effort made it possible to produce a top quality product in a short time. "Everybody



NSW employee/owners in the Rock Falls National Guard will be receiving Christmas cards from Northwestern Steel and Wire employee/owners who signed the greetings to promote some holiday spirit.

in the Barbed Wire Department did a real good job making sure we got the right wire," Schuchard commented.

Vernon Schwenk, General Supervisor of Agri-Products, says the men working on the machines made this "team effort" look easy.

"Because it was marked Desert Shield, the boys were real enthusiastic about it. They were

pushing me every day to get the wire and pushing Dick (Schuchard) to get the order going. They were happy to be able to make it," Schwenk said.

Schwenk explained that these men took a lot of extra time to stop the machines and sharpen knives or do inspections to make sure the barbed wire they were producing was top quality.

He gives a lot of credit to Ray Hutchison, who was the operator of four machines, and Herman Maxey, the adjuster of the machines.

Schwenk says these men would not permit any splicings, even though three are allowed per spool. They wanted the wire being used for Desert Shield to be the best it could be.

Not only has the Rock Falls National Guard been called to Saudi Arabia for active duty; one of Northwestern's wire products has too. An order from the U.S. Government came in for 385 spools of barbed wire to be used for Operation Desert Shield.

The inspector who had to gather all the figures for the paperwork was Jerry Bellini. He says the four days the barbed wire was in production may have caused him to spend an extra 10 to 12 hours in that department. He says the extra time went into making sure the wire met government specifications. "I had to make sure they had the right wire and to check spacing (of barbs). I was just making sure it was done and done right," explained Bellini.

Northwestern workers called to Persian Gulf

The entire community was recently caught up in the Gulf crisis when the 1644th Transportation Unit from the Rock Falls National Guard was called to active duty. Of the 181 sent to Ft. Sheridan, and eventually to Saudi Arabia, seven were Northwestern employee/owners.

These men are Darrel Angier, Galvanizer; Todd Bass, Labor Pool; Santos Chavez, Jr., Galvanizer; Steve Crowe, Labor Pool; Dana P. Johnson, Labor Pool; Thomas Jones, Wire Mill Shipping; and Nicholas Wade, Labor Pool.

The Guard Unit gathered at Northwestern's truck scales facility on the Friday morning following Thanksgiving. NSW offered its scales for the send-off because the space was large enough to assemble all of the equipment the 1644th took with them to Ft. Sheridan, and it also provided the room for well-wishers to gather.

The unit has been sent to Ft. Sheridan to undergo some classroom training and to get new equipment, clothing, and supplies. Staff Sgt. Rhodes at the Rock Falls National Guard says the 1644th will require very little training because they are an "active mission unit."

Since this is a transportation unit,

their mission is to haul freight, and this is something they could do every time they were on duty. Some units perform a mission which cannot be practiced easily, and when they are on duty, they spend most of their time in classroom training.

Fred McCloud, General Manager of Human Resources, says the seven NSW employee/owners called to active duty will receive one extra month of insurance. Under federal law, Northwestern must give the reservists' their jobs back when they return.

The 1644th Transportation Unit's main mission in Saudi Arabia will be to deliver water and supplies. They have tentatively been called to active duty for six months, but President Bush can extend their duty another six months. He can make as many extensions as he finds necessary.

Currently, you can write to the seven NSW employee/owners, or any of the 1644th Unit at this address:

"Soldier's Name" or "Commanding Officer"
1644th Trans. Co.
Ft. Sheridan, IL 60037-5000



A caravan of vehicles lined up to use the truck scales at Northwestern when the 1644th Transportation Unit from the Rock Falls National Guard was called to active duty.

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

Bulk Rate
U.S. Postage
PAID
Permit No. 69
Sterling, IL

ROCK FALLS
61071

IL