

## Industry Urges Use of Steel Culvert in State Highway Projects

Ohio's steel industry is asking the state to pave the way for increased use of steel culvert in transportation projects, contending such a move could save taxpayers money and bring other benefits.

A boost in construction steel sales would do much to benefit the steel industry in Ohio, which is still facing challenging economic conditions. Ohio steel production and employment were down considerably this year compared to the first nine months of 2001. Capital spending also dropped significantly from last year.

Currently, steel is used in a small percentage of state-funded transportation projects, despite the fact that Ohio produces 71 percent of the nation's steel for use in culvert pipe.

Steel is a fraction of the cost of concrete in most applications and performs just as well, if not better, for drainage and retention systems.

Ohio steel producers say concrete tends to be used more than steel and urge the state to specify steel culvert more often in projects because of its numerous advantages:

- Steel is usually cheaper than concrete.
- Steel is lighter in weight.
- Steel is easier to transport and maneuver into position.



A section of corrugated steel culvert pipe is installed at a highway project.

- Steel is available in longer lengths.
- Steel's durability is equal to or greater than concrete.

"We're requesting that ODOT write specifications allowing for competition between steel and concrete and to award contracts based on the low bid," said Mark McCormick, senior vice president, Contech Construction Products Inc. "We're asking for a level playing field and a fair chance to compete. Steel is very competitive, and although we won't get every job, choosing the low bid means the taxpayer always wins."

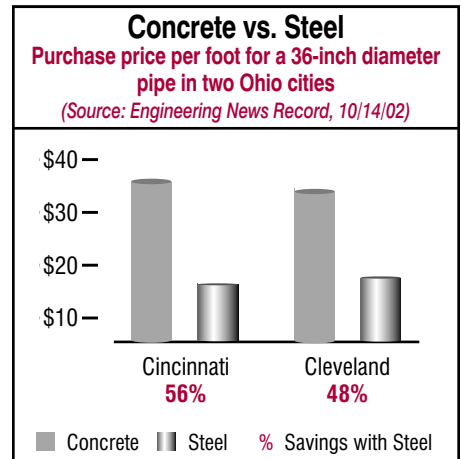
A significant portion of steel sales in Ohio is construction related. Several Ohio steel companies are among the domestic leaders in production of steel for culvert use.

A recent engineering report published prices of reinforced concrete pipe compared against corrugated steel pipe in 20 major U.S. cities. The price per foot of 36-inch concrete pipe, for example, was \$35.00 in Cleveland, compared to \$18.24 for steel. In Cincinnati, the concrete section was \$36.40, compared to \$16.05 for steel.

Steel is usually a lower price alternative to concrete on an installed cost basis for culvert applications. In addition, steel offers a wide variety of products that can be customized to satisfy just about any state design requirement, and the opportunity to use different protective coatings allows a contractor to tailor the product to the environmental conditions at the site.

Protective coatings, such as zinc, aluminum and asphalt, can extend steel culvert service life well beyond the design life of the project. In fact, with the appropriate protective coatings, steel can last up to 100 years in most environments in Ohio.

Steel also has a number of advantages over concrete at the job site. Because steel is available in longer lengths – 20-foot lengths compared to concrete's 8-foot sections – and is much lighter in weight, it's easier to ship and easier to maneuver into position during installation. Plus, steel's longer lengths also result in fewer joints, which means less opportunity for joint integrity failure.



## Two New Members Join Ohio Steel Council

The Ohio Steel Council welcomes two new members – Alan H. McCoy of **AK Steel Corp.**, Middletown, Ohio, and Dr. John J. McGrath of **Stark State College of Technology**, Canton, Ohio.

Appointed by Ohio Gov. Bob Taft, McCoy is vice president of public affairs at AK Steel. He has been with the company for more than 25 years. He is a director of the Mid-Miami Valley Chamber of Commerce and a member of the Indiana Steel Industry Council. He holds a bachelor's degree in journalism from the University of Kansas. He currently lives in Cincinnati with his wife and three daughters.

Appointed by the Ohio Board of Regents, Dr. McGrath is president of Stark State College of Technology. He has more than 30 years' experience in university instruction and administration. He is co-chairman of the State College Technical Preparatory Advisory Committee, chairman of the Stark Development Board and chairman of the Workforce Investment Board Strategic Planning Committee for Stark and Tuscarawas counties. He holds a master's degree in business administration and a doctorate in higher education from Wayne State University, and he is a graduate of the Institute for Educational Management at Harvard University. He resides in Massillon with his wife.

# The Department of Development is Especially Important in Tough Economic Times

The Ohio Steel Council has expressed concern about the continued funding of a state program that has saved 11,000 jobs and generated \$380 million in new capital projects for the steel industry in the last two years.

Following an emergency meeting with the steel industry in February 2001, Gov. Bob Taft set aside \$110,000 in a three-year incentive program for the steel industry. The program is one of many that the **Ohio Department of Development** (ODOD) administers for the betterment of Ohio industry. In addition, the department provides valuable counsel and job training.

"Because of market conditions and the general state of the economy, the Department of Development funds are critical to the future of steel in Ohio, and we cannot afford to slow the momentum of what they've allowed us to do to this point," said Tim Roberts, manager of corporate affairs, **WCI Steel, Inc.**, in Warren.

The Ohio Steel Council is concerned about funding to the Ohio Department of Development because of the budget challenges at the Statehouse.

In 2001 and 2002, the Department of Development has committed more than \$150 million in grants, loans, bonds and tax credits for capital improvement projects,

pollution control equipment, public infrastructure improvements and training programs for Ohio steel companies.

**Wheeling-Pittsburgh Steel Corporation** in Mingo Junction, Ohio, was one of 28 organizations to tap into ODOD funds. It received \$7 million in loans and grants this year to help defray the cost of eligible fixed assets associated with the company's installation of additional segments in its continuous twin caster.

"The Ohio Department of Development was very responsive to Wheeling-Pittsburgh Steel's needs," said Andy Rebholz, vice president and treasurer, Wheeling-Pittsburgh Steel. "Its participation was a key element in our ability to complete a program that significantly improved our caster efficiency."

WCI Steel received more than \$500,000 for a combination of capital improvement projects and training initiatives.

"The funds encouraged us to invest more in training which, in turn, enhanced the quality of our workforce, improved their skills and made us more competitive," Roberts said. "We also received commitments for partial reimbursement on more than a dozen capital improvement projects that have helped us update our technology and improve the efficiency of our steelmaking process."

WCI's training funds came from the Ohio Industrial Training Program (OITP) for employee training programs that addressed safety, environmental, individual crafts, automation and computers. OITP is an extension of the Department of Development, administered through economic development regional offices throughout the state.

Department of Development funds that Gov. Taft had set aside for the steel industry consisted of the following: \$30 million to assist with capital investments; \$60 million for tax-exempt financing of eligible pollution control equipment; \$5 million in grants for infrastructure improvements or key equipment acquisitions; and \$15 million in training grants to upgrade the skills of industry workers.

## Outcomes from ODOD funding and support since 2001



\$150 million in loans, grants, tax credits

\$380 million total investment by steel companies

1,500 jobs created

11,000 jobs retained



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