



STEEL INDUSTRY EMISSIONS DOWN 67 PERCENT IN 10 YEARS

The U.S. Environmental Protection Agency (EPA) has concluded that the American steel sector stands out as having the steepest decline in emissions among nine manufacturing sectors.

Between 1995 and 2006, steel industry emissions declined 67 percent.

Steel industry emissions were recently in the news when New York Mayor Michael Bloomberg, apparently unaware of the 67 percent reduction over 10 years, called for the steel industry to reduce emissions. He said the U.S. steel industry should follow the standards set in Europe.

In response, Thomas J. Gibson, president and chief executive officer of American Iron and Steel Institute (AISI), said the U.S. steel industry had set its own impressive standard in emissions reduction. If every individual and segment of the U.S. economy achieved the same energy improvements as the steel industry, the U.S. would exceed Kyoto accords, Gibson explained.

In Ohio, one of the nation's top three steel-producing states, steel producers invested more than \$168 million in environmental and energy reduction programs.

The Timken Company in Canton has refined processes and introduced new technology to reduce the amount of natural gas consumed per ingot of steel produced. For example, at its Harrison facility, the reduction in energy use is 17 percent.

V&M STAR in Youngstown recycles approximately 90 percent of the waste generated by its Youngstown facility.

AK Steel in Middletown has improved air quality with a new emissions-control system that controls 90 percent of fugitive emissions, or about 300 tons of nonhazardous dust per year.

ArcelorMittal in Cleveland captures blast furnace gases and uses them to heat buildings and create electricity, a process known as cogeneration. Each year, Ohio Steel Council members create 351,197 Mkw of electricity through cogeneration.

Ohio Steelmakers React Swiftly to Downturn

Nearly all major steel producers in North America have idled blast furnaces or otherwise curtailed operations in response to the economic downturn. According to Moody's Investors Service, about half of North America's steel producing capacity is expected to remain idle through the first two quarters of 2009.

Ohio is feeling the effect, as all major steel producers in North America have facilities in the state.

Demand and pricing for steel in most categories are down suddenly and sharply, as orders related to appliances, automobiles and construction have dropped off. Between October 15 and November 15, prices for hot-rolled steel plummeted 20 percent. (See **Figure 1**)

In turn, the reaction by the U.S. steel industry has been swift, a testament to the industry's new lean structure and flexible terms with the United Steelworkers.

"More so than other industries, steel is highly subject to variables outside the industry and beyond our control, such as energy costs or raw materials costs. We are also among the first to feel the impacts of global economic trends," explained Roger Lindgren, co-chair of the Ohio Steel Council and president and chief executive officer of V&M STAR in Youngstown.

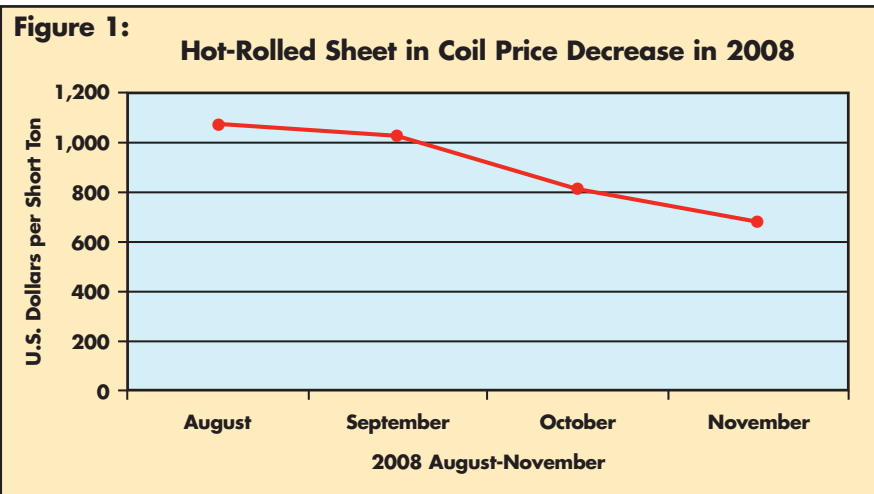
"The good news is that the newly restructured industry is agile, and able to react quickly to the economic downturn," Lindgren said.

The current downturn follows a two-year period of very strong worldwide demand and pricing for steel. Beginning in the late 1990s, the U.S. steel industry underwent a period of intense consolidation and restructuring in response to low pricing and inflated inventories brought about by a surge in unfairly traded steel imports.

Council Welcomes Larry G. Taylor of U.S. Steel Corporation

The Ohio Steel Council welcomes Larry G. Taylor, the plant manager for Lorain Tubular Operations of U.S. Steel Corporation, who was appointed to the Council by Gov. Ted Strickland.

Taylor will represent two U.S. Steel Corporation companies, Lorain Tubular in Lorain and PRO-TEC Coating Company in Leipsic. He brings to the Council more than 30 years of experience in the Ohio steel industry. In that time, Taylor has overseen various company functions, including plant operations and human resources. Taylor holds a bachelor's degree in organizational management from Bluffton College.



Council Members

AK Steel
ArcelorMittal
Cleveland State University
Lorain Tubular Operations, U.S. Steel
Ohio Department of Development
The Ohio General Assembly (House and Senate)
PRO-TEC Coating Company, U.S. Steel

Republic Engineered Products, Inc.
Severstal Warren, Inc.
Severstal Wheeling, Inc.
Thomas Steel Strip Corp.
The Timken Company
United Steelworkers
V&M STAR

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