



## ALABAMA BLAST

October 1, 2008 Fall Issue

Volume 1, Issue 1

# SPECIAL POINTS OF INTEREST:

- > The Alabama iron and steel industry in 2006 employed 10,505 workers in iron and steel mills, ferroalloy manufacturing and iron and steel foundries. Total business sales were \$2.1 billion.
- > Dun & Bradstreet
- > Birmingham mills produce 50% of the U.S. supply of cast iron pipe and 25% of the world supply.

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## STATE POISED TO BECOME NATION'S SECOND LARGEST STEEL PRODUCER

Alabama is in position to become the nation's second or third largest steel producing state with the addition of the giant new ThyssenKrupp plant near Mobile.

The German steelmaker has begun construction on a \$3.7 billion state -of -the art steel and stainless steel processing facility on a 3,700-acre site in Mobile and Washington Counties. When fully operational, it will employ 2,700 workers and have an estimated annual capacity of 5.1 million metric tons.

The plant is expected to begin operations in 2010.

Alabama currently ranks fifth among the states in steel production just behind Illinois. The top three states, according to the Annual Survey of Manufactures, are Indiana, Pennsylvania and Ohio.

The new Alabama facility will include a hot strip mill which will be used primarily to process slabs from the ThyssenKrupp steel plant in Brazil.

ThyssenKrupp officials said plant workers will make between \$50,000 and \$65,000 a year producing high grade steel for use in the North American auto industry.



Alabama Gov. Bob Riley, left, and Dr. Michael Rademacher, vice chairman of the Executive Board of ThyssenKrupp Stainless.

#### 2008 ANNUAL REPORT DUE IN MARCH

The Alabama Iron & Steel Council's first annual report on the health of the state's iron and steel industry is scheduled for March after the calendar year has ended.

Despite the economic turndown, plant owners are hopeful trade conditions will rebound.

According to the Annual

Survey of Manufactures
Alabama's six steel producing plants processed over
\$5,684,076 in value added shipments during 2005
and employed 4,357 workers. Labor income for the year totaled
\$294,858,000.

Global Insight reports Alabama iron and steel mills and ferroalloy manufacturing grew in 2007 to 5,115 workers. The figure does not include steel foundries.

Alabama iron and steel companies continue to post impressive earnings, however, they caution the global economic turndown will have significant negative impact during the coming year. It is yet unclear as to how markets and production levels will be affected.



carbon alloy

### IN BLACK BELT

U.S. STEEL TO BUILD COKE PLANT

Alabama's oldest steelmaker has announced plans to build a \$450 million alternative coke plant in Sumter County that could have far reaching impact on the economically depressed Black Belt, Birmingham area jobs and the global steel industry.

U.S. Steel, which employs more than 2,300 at its Fairfield Works, said the coke alternative would supply its Birmingham plant which now obtains fuel from overseas markets with rising prices.

The experimental Sumter plant using new technology will perfect the process of turning coal into a carbon alloy material. The operation, which will initially attract a \$150 million investment and employ 75 workers, could grow to a \$450 million

investment with 235 jobs.

The move is expected to improve U.S. Steel's competitive position and provide security for Birmingham district jobs.

"This is U. S. Steel's investment, we think, in the future of our industry", said John Goodish, the company's chief operating officer.

A \$200 million expansion is currently underway at the State Docks.



SSAB's North American Division is the number one supplier of plate in the U.S. and Canada.

#### STATE DOCKS GROW WITH STEEL INDUSTRY

State Docks Director
Jimmy Lyons said the Port
of Mobile, the nation's
10th largest, could move
into the 8th or 9th spot
soon with expansions now
underway and additional
shipments expected from
the new ThyssenKrupp
plant.

Commerce currently moving through Alabama's seaport generates nearly 100,000 jobs, \$357 million in tax revenue and about \$10 billion in eco-

nomic impact statewide.

"Alabama's iron and steel manufacturing sector has experienced significant growth, and the Alabama State Port Authority's investments have kept pace," Lyons told the Alabama Iron & Steel Council at its September 9 meeting.

He said new projects like the \$108 million Pinto Terminal will handle four to five million tons of semifinished slabs for steel manufacturing and the \$27 million rail ferry terminal is providing a more efficient rail corridor into Mexican markets. Additionally, the Pier D pig iron terminal links imported raw material shipments via rail and inland waterways to end users. "Our general cargo investments now provide state-of-theart export facilities for Alabama products, "Lyons added.

### \$460 MILLION EXPANSION SLATED FOR SSAB PLANT AT AXIS IN MOBILE COUNTY

SSAB has picked its plant in Mobile County for a \$460 million state-of-theart heat treating facility creating 180 new jobs.

The Swedish owned mill, already has 400 employees at its Axis site. The investment will increase the plant's quenched and tempered steel capacity from 100,000 to 400,000

metric tons per year.

Construction will begin in 2009 and be completed in 2011. The additions will also enable SAAB to make stronger steel and roll thinner sheets.

"This reaffirms SSAB's focus on our value added quenched and tempered steel and our commitment to meet customers' growing demand for such products," says Olof Faxander, CEO of SSAB.

Gov. Bob Riley said SSAB could have gone anywhere in the world but the fact it picked Alabama shows the state can not only produce high quality products but has the one of the best workforces in the U.S.

### ALABAMA IRON & STEEL COUNCIL CREATED BY EXECUTIVE ORDER NO. 39

While attending U.S. Steel's 100<sup>th</sup> anniversary in Birmingham at the Fairfield Works last November, Gov. Bob Riley announced plans to organize the Alabama Iron & Steel Council to help promote future growth and expansion of the industry. A similar organization is in place in Ohio.

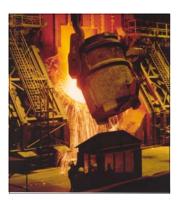
The governor signed Executive Order No. 39 on February 13 charging the new public-private partner-

ship with identifying and recommending solutions to problems affecting the industry's growth, development and stability.

"The Alabama iron and steel industry, historically one of the state's leading providers of manufacturing jobs, has made a remarkable recovery over the last several years," Gov. Riley said. "It is in the public interest to strengthen ties between steel producers, product

manufacturers, suppliers and state government."

The 21-member council is composed of representatives from seven steel mills and three cast iron pipe plants along with material and energy suppliers, distributors, university leaders, legislators and cabinet members. The Alabama Labor Department provides staff assistance.



#### U.S.PIPE OPENS NEW MILL IN BESSEMER

U. S. Pipe has invested more than \$45 million in the first new ductile iron pipe plant built in the U.S. in 55 years . The plant will be adjacent to its existing facility in Bessemer.

Mueller Water Products Inc., parent company of U.S. Pipe, said the plant will create as many as 100 new skilled jobs, bolster U.S. Pipe's competitive manufacturing position and provide the most upto-date environmental protections for the local community.

U.S. Pipe broke ground on the new plant in June, of 2007 with the facility expected to be open in 18 months. Limited production is scheduled to begin this month. Manual pipe-making jobs performed for more than a century will become computerized automated processes at the new location. It also will use technologically advanced environmental safeguards, including new low emissions manufacturing techniques, water-based paints and low nitrous oxide annealing oven burners.

Ductile iron pipe is used primarily for clean water transmission.

#### HISTORICAL FACT (ALABAMA ENCYLOPEDIA)

In the decades after the Civil War, Alabama became one of the nation's leading iron and steel producers. Although Gadsden and the Florence-Sheffield District also contributed to this rise, the Birmingham District became the largest iron and steel producer in the southern United

States. Unique geological conditions provided it with closely associated and abundant deposits of iron ore, coal and limestone. These were the raw materials essential for making iron and steel. At some locations within the district, deposits were only a few miles apart. Iron could be made here more

cheaply than any place in the nation.

During the last two years of the Civil War, 70% of the entire South's iron supply was produced by Alabama furnaces. Twelve locations became the target of federal cavalry raids as well as the Selma Gun Works and Arsenal.



The Irondale Furnace in 1865 was the first to be rebuilt after the Civil War.

www.encyclopediaofalabama.org

### ALABAMA IRON & STEEL COUNCIL

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NEXT MEETING, 2 PM DECEMBER 9, BIRMINGHAM, HOSTED BY NUCOR STEEL.



# BY THE NUMBERS MORE WITH LESS

1970

**91 million tons** of USA steel shipments

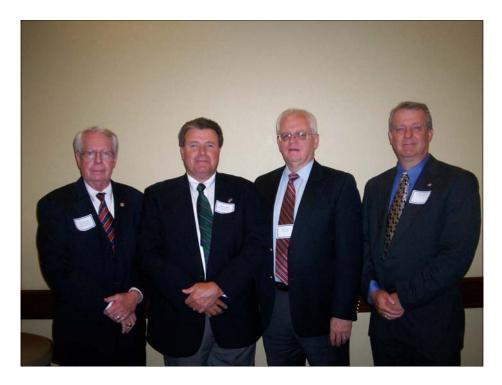
**531,000** USA steel employees

2007

**106 million tons** of USA steel shipments

**158,550** USA steel employees

—The Washington Post



New Alabama Iron & Steel Council Officers: From left, State Labor Commissioner Jim Bennett, secretary; Merle Stein, general manager of U.S. Steel's Fairfield Works, chairman; Ray Torok, president of U.S. Pipe, vice chairman and Brian Tomlinson, comptroller of SSAB Steel, treasurer. They were elected in Birmingham May 20.

# ALABAMA IRON & STEEL COUNCIL MEMBERSHIP

#### Members

- Alabama Dept. of Labor
- Alabama Development Office
- Alabama Dept. of Industrial Relations
- Alabama House of Representatives
- Alabama Senate
- American Cast Iron Pipe Co.
- CMC Steel
- Fairfield Works, U.S. Steel
- McWane Pipe Co.
- Nucor Steel

- SSAB Steel
- ThyssenKrupp Steel, USA
- U.S. Pipe & Foundry Co.

#### **Associate Members**

- Auburn University Engineering Department
- Alabama Power Co.
- Blastcrete, Inc.
- Drummond Coal Co.



Hanna Steel Corp.

- Mercedes Benz International, Inc.
- O'Neal Steel, Inc.
- University of Alabama School of Business

#### **RECYCLED**

Steel is 100% recyclable with some 450 million tons of recycled steel consumed each year. The basic oxygen process uses up to 30% recycled steel (scrap) and 90-100% is used in electric arc production.

- World Coal Institute