



Mark Glyptis, President

ORAL TESTIMONY OF
MARK G. GLYPTIS, PRESIDENT
UNITED STEELWORKERS LOCAL 2911
WEIRTON, WEST VIRGINIA
BEFORE THE STEEL CAUCUS
HEARING ON STABILIZING STEEL

Good morning Representative Visclosky and members of the Steel Caucus. My name is Mark Glyptis. I am President of the United Steelworkers Local 2911 at ArcelorMittal Weirton, in Weirton, West Virginia. I appreciate the opportunity today to speak before you on behalf of the steelworkers and retirees of ArcelorMittal Weirton.

I was born and raised in Weirton, West Virginia and became employed by the former Weirton Steel Corporation in 1973. I became the third generation in my family to work at Weirton Steel, following my father and his father before him. I was recently elected to my seventh consecutive term as President.

When I first began working at the former Weirton Steel Corporation, there were approximately 10,000 employees. In 1983, National Steel Corporation, which owned Weirton Steel, announced that it would no longer invest further capital into its Weirton plant. The practical effect of this would have been to turn Weirton and the surrounding area into a “ghost town”. In order to avoid this fate, the employees agreed to accept considerable concessions with respect to wages and benefits in order to make the establishment of an Employee Stock Ownership Plan (E.S.O.P.) at Weirton feasible. The terms of the E.S.O.P. required Weirton Steel

to repurchase shares in the Company which had been distributed to employees after five years. The Company could not afford to complete the \$500 million capital improvement program required to keep the plant in operation and repurchase employee shares at the same time. In order to free Weirton from this repurchase liability, the Company had a successful initial public offering on the New York Stock Exchange in 1989.

Following the initial public offering, Weirton Steel was largely a successful independent steel producer. However, beginning in 1998, Weirton Steel, like all domestic manufacturers, began to suffer from the onslaught of imported steel which had been dumped in the United States market at prices below the foreign manufacturers' cost of production.

As a result, the Company began to lose large sums of money, and its very existence was threatened. In 2003, Weirton's employees again agreed to various concessions in order to attempt to keep the Company viable, and avoid filing for bankruptcy protection. These measures included an agreement by the employees to take pay cuts and freeze their pension benefits. However, despite this agreement, the Company's losses caused bankruptcy to become inevitable, and Weirton Steel Corporation was forced to file for Chapter 11 protection in May, 2003. At the time of the bankruptcy, Weirton had assets of approximately \$655 million and liabilities of approximately \$1.4 billion.

In February, 2004, Weirton's assets were purchased by International Steel Group (ISG), a consortium of steel producers which had been created by the investor Wilbur Ross. In April, 2005, ISG was purchased by Mittal Steel, which subsequently became ArcelorMittal, one of the largest steelmakers in the world.

The complete devastation of our domestic steel industry was avoided by the enactment of Section 201 in 2002 which prevented foreign steel manufacturers from continuing to dump steel into the U.S. market at prices that were below their cost of manufacturing. However, this relief

was only temporary, as President Bush later was persuaded to rescind the legislation. Fortunately, a large upswing in the demand for steel products in the years following the elimination of the 201 legislation prevented another collapse in the steel industry.

With the recent steep and unprecedented decline in the world market for steel, our domestic steel industry is again threatened. The effects of this huge decline have been shown very clearly at Weirton, where there are now approximately 150 employees on layoff status. This follows the permanent reduction of 220 employees in 2008. ArcelorMittal has announced its intention to examine its operations in order to identify plants for permanent closure. Only a few miles from the Weirton plant, the steelmaking operations owned by Severstal have been idled. Weirton now employs approximately 1,000 workers, which is one-tenth of the workforce which was in existence at Weirton at the time I began my employment.

I would urge Congress to deal with the issues which threaten to destabilize our domestic steel industry, which had become profitable following the crisis of the later 1990's. Congress should not permit foreign governments to subsidize the cost of their industry's exports in steel or any other industry and that includes manipulating its currency to gain a trade advantage. The current laws which forbid these practices should be strengthened, and strictly enforced. In addition, it is extremely important that the current monitoring system being used in an oversight capacity is carefully utilized in order to ensure that large amounts of subsidized product cannot enter our country before corrective steps can be taken.

I believe that China is a particularly dangerous threat to our nation's economy and industrial base. I would urge Congress to pass legislation which would address the efforts of the Chinese government to manipulate their currency in order to make their exports artificially competitive with our products. Also, China provides subsidies for the energy consumed by its

industries. These subsidies are not available to domestic steel producers. American competitiveness suffers as a result.

Legislation, like that enacted in the American Recovery and Reinvestment Act, which encourages the purchase of American Made products would also be extremely helpful.

I would be pleased to answer any questions that you might have with respect to my testimony. Thank you for this opportunity to have appeared before this panel today.