Package Dec 03, 2015

- **Temp Lay Offs-**
- **MANA Report- by Brother Blackborow**
- **Operation Christmas Cheer MANA gate Dec 14 at 2 pm.**
- **Mass Demo Keep Stelco Producing- Jan 30,2016**
- **Court – copies of documents at back.**
- **As of today, Court Dates, Jan 14,15,20,21,22 and Jan 25, on USS Claim's trial. We have seen changes in the past on Court dates.**
- **Plant Gate Collection Dec 02 2015-Result**
- **Xmas dance Dec 18 ,2015**
- **Medical Information**
- **Ontario Transition fund- Jan 01 ,2016, Greenshield cards activated for <u>Drugs only</u> until the money runs out or Mar 31, 2016. More information will come on the rules.**

- **<u>No Info Meetings Dec 24 or 31 2015</u>**

MANA Report

By Brother Blackborrw

Reminder :

Friday December 4th. At noon .

We are all invited to a hot lunch at the Workers Center (Steel Workers hall on Barton)

Thursday Dec.3th. Expect to give MANA report at our weekly information meeting .

Wednesday Dec. 2nd. Brother Newton reports :

Brother Newton was with Brothers Watson ,Passchier , Misuk and Lowe

arrived at 530 Dwayne had5 cars stopped

dave p arrived with wood for the fire

dave l made3 trips for wood and stored it under the overpass. Thanks to both, we now have a good supply of wood.

moore bros rig in around 7

nothing unusual

Tuesday Dec.1st. Pm

Message from **Operation Christmas Cheer**

"We will be sorting and packing the food hampers on Saturday, December 12th at 10AM at UFCW 175/633's office at 2200 Argentina Road in Mississauga and I need help.

What I need from each of you is at least two volunteers from your local to help us pack the food hampers. UFCW will have some volunteers too. There will be coffee/tea, hot coca, muffins and bagels. This should take no longer than an hour. **Will also need your 2 volunteers to take all the food hampers on Saturday and bring to the picket-line for your Monday delivery. "**

If you wish to volunteer let me know , if you wish me to forward the complete e-mail let me know . Tim

Brother Ken Bolton (Retired Millwright from the Bar Mill) Brother Bolton has been to a number of our protests and attends a number of our Thursday afternoon information meetings . Thanks to Brother Bolton for dropping off wood to the picket line . Brother Bolton called about the size of the wood we could put in our wood stove .

Tuesday Dec.1st. Am

Arrived 4:49 am Brother Watson already present . All gates open night shift security present .

1st. Scab (Pete Devay) in before I arrived

1st. Security arrived 4:59am

2nd 5:11am

1st Supervisor 5:10 am

Only Brother Watson and myself until I left at 6:21am leving only Brother Watson .

Supervisors 8

Scabs 24 including Devay , Horn , Beeken ,Williamson , Gallant and Hignell .

Monday Nov.30th..Pm

Brother Howe e-mailed me that he has a written decision and confirmation that all the cases Brother Howe appealed were successful . Our members no longer owe money to Service Canada for EI overpayment. Very good news for a change thanks to Brother Howe . I do not want anyone to think that Brother Howe would brag or write in the above manner . He would not , but I would and did .

Monday Nov.30th..Am

Arrived 4:27 am Brother Watson already present . All gates closed

1st. Scab (Pete Devay) 4:30am

1st Supervisor 4:40 am

1st. Security arrived 4:58am

2nd 5:15am

Brothers Watson , Johnston . Lowe , Newton and Passchier present until I left for my other job at 6:18am

Supervisors 9

Scabs 8 including Devay , Horn , Beeken ,Williamson , Gallant and Hignell .

By the time I left .

Thanks to Brothers Passchier for bringing skids and Brother Lowe for bringing material to help start the fires .

Brother Newton reported

the scabs started coming just after you left

1walk in

moore bros rig

giffon combustion

Frid

The boys and I had some fun -------- at the security kid about right of way vs trucks on the road end of brother Newtons report.

My new temp. cell phone 289-440-0850

Please do not spread rumors that are harmful to your fellow workers.

Do not put yourself or others in compromising positions.

You should be aware that you may be required justifying your actions be

Careful on the picket line we have had a few instances when scabs have run the line , we do not want anyone of our brothers hurt .

Tim

THANKS Tim!

This is funny at first glance.

Steel Is Paying the High Price of Free Trade

Jim Cramer - The Street

November 30, 2015

The price of the Pittsburgh Steelers is almost double the price of U.S. Steel (X). That's right, at this moment, Forbes magazine values the team that Big Ben and 52 other Steelers play for at $1.9 billion. But the U.S. Steel team that more than 30,000 employees play for? It's worth $1.1 billion, and the stock's down 70% for the year.

The contrast isn't a fatuous one. The United States produces incredible entertainment and does so in part by not diluting its value. There are a limited number of teams and no company in our country has been able to challenge its dominance.

But the world produces a tremendous amount of steel, and no matter how good you are at producing it, no matter how much in costs that you take out, if you make steel in the United States you are going to suffer from the excess of our so-called trading partners. I say so-called because the partners aren't equal. U.S. Steel isn't supported by the U.S. government. But the Chinese steel companies? They are run by the government. The South Korean steel companies? They work hand in hand with the government. The Japanese steel companies? They benefit from a decision by the Japanese central bank to keep the yen low vs. the dollar. The Brazilian steel companies? The real, the Brazilian currency, is so cheap that Gerdau (GGB), its big steel manufacturer, has an incredible edge.

Plus, all these competitors have something else in common. As the world's leaders convene to talk about climate change, the home countries of these steel makers are much less restrictive on emissions. The Chinese, who export a ton of steel to the U.S., also export a huge amount of pollution. We accept it as part of the desire to support free trade. We worship at the altar of globalization and this is the price both parties seem willing to pay.

So what has U.S. Steel, which has worked so hard to get its costs to be in line with the world, had to do? It has had no choice but to keep cutting prices and keep firing workers and closing inefficient plants to keep its customers. For all of its efforts, Wall Street expects U.S. Steel to lose more than $2 per share this year.

Sure, U.S. Steel made a big bet in oil country tube to support the drilling boom and it is scaling back that capacity as fast as it can. But you just don't hear much about the plight of this company, once the world's largest, let alone some of its smaller competitors. It's a given because we have grown to accept that the strong dollar is going to be with us, wiping out U.S. jobs and factories. The 53 men on the Steelers have more of a job future right now than many of their much poorer steel brethren, even though some say NFL stands for Not For Long.

Steel's not alone. All of our commodity and commodity-like industries bear the same fate.

When European Central Bank president Mario Draghi wants to reinvigorate the continent's economy, he simply discusses that the euro's too high vs. its trading partners and needs to go lower.

When Japan's businesses fair badly, Japan's government makes it clear it doesn't support a strong yen.

When China's industrial economy falters but it doesn't want to have mass unemployment, it keeps producing goods and selling them at cost or lower to support its own economy.

So last week you get a terrible quarter from HP Inc. (HPQ), the newly public PC and printer portion of the old Hewlett Packard, with much of the stock's huge decline stemming from what should have been obvious -- price cutting to stay up with the Japanese companies that are backed by a weak yen.

Century Aluminum (CENX) is getting crushed by foreign imports. Its CEO, Michael Bless, just called for "immediate help" as it has had to close plants that can't compete with the Chinese. As old friend Dan DiMicco, former CEO of Nucor (NUE), wrote to me in an email, "We are letting our industries be destroyed in an economic trade war, things that could not be destroyed by military conflict in over 200 years. Where is the outrage?" he ponders.

I think we know the answer. These industries, these workers, are the price we pay for free trade and the U.S. government supports free trade. They are being sacrificed and your portfolio will be sacrificed, too, if you try to bottom-fish in the stocks of companies that can't possibly compete in this new strong-dollar world.

Rating Action: Moody's downgrades U.S. Steel's ratings (CFR

to B1); outlook negative

Moody's

*November 30, 2015*Global Credit Research - 30 Nov 2015

New York, November 30, 2015 -- Moody's Investors Service downgraded United States Steel Corporation's (U.S. Steel) Corporate Family Rating (CFR) to B1 and its Probability of Default rating to B1-PD from Ba3 and Ba3-PD respectively. At the same time Moody's downgraded the senior unsecured notes rating to B2 from B1, the industrial revenue bond ratings, supported by U.S. Steel, to B2 from B1 and the senior unsecured shelf rating to (P)B2 from (P)B1. The speculative grade liquidity rating remains unchanged at SGL-2. The outlook is negative. This concludes the review for downgrade initiated on October 8, 2015.

The downgrade reflects the deterioration in U.S. Steel's debt protection metrics and increasing leverage position as evidenced by its EBIT/interest coverage ratio and debt/EBITDA ratio of 1x and 5.1x for the twelve months ended September 30, 2015. Given the further downward movement in steel prices and industry capacity utilization rates subsequent to the third quarter, U.S. Steel's debt protection metrics are expected to weaken further for the fiscal year 2015 and the time horizon for recovery to be extended. The company expects 2015 EBITDA to be approximately $225 million.

Challenging industry conditions -- arising from historically high import levels and weak demand in certain end markets such as machinery and equipment, the collapse of the Oil Country Tubular Goods (OCTG) market -- to which U.S. Steel is the largest supplier in the US and Canadian markets combined -- have resulted in weak earnings performance as evidenced by negative EBIT of $47 million for the nine months through September 30, 2015 (including Moody's standard adjustments). Although the company continues to have a good contracted position in sales to the automotive industry, lower shipments and the ongoing downward fall in steel prices resulted in the Flat-Rolled segment incurring a segment operating loss of $149 million for the nine months to September 30, 2015, although losses have been reducing on a sequential quarterly basis as the company continues to focus on cost reductions.

USSC losses less than expected, but struggles continue

Hamilton Spectator, December 2, 2015
By Steve Arnold

A new report on U.S. Steel Canada’s finances shows the struggling company continues to lose money, but not as much as expected.

In his latest review of the company’s performance, court-appointed monitor Alex Morrison said the former Stelco lost only $2.4 million in October rather than the $10.3 million predicted by its business plan.

Mike McQuade, the company's Canadian president, praised employees for that accomplishment, while also warning the company's troubles are far from over.

"Together, we accomplished this in the face of steel prices that continue to decline and currently sit well below USD $400 / ton. … Of course, our work is far from over," he said in a note to employees. "While this update and the Sixteenth Report of the Court Monitor contain some positive developments … it by no means should suggest to you that the road ahead will be easy."

That path, Morrison's report says, remains a difficult one for the company as it struggles to restructure under creditor protection and separate itself from its American parent - U.S. Steel Corp. of Pittsburgh.

First among those challenges, Morrison reported, are the heavy losses that continue to mount for the company.

To the end of October, the monitor reported USSC notched a net loss of $368.7 million

Losses have also been heavy for the American parent.

Those figures include costs of restructuring and account for interest payments on its debts - payments that aren't being made while it is under court-supervised protection. On its operations alone, the company reported losses of $95.2 million to the end of October, compared to a loss of $37.9 million for all of 2014.

Morrison reported much of the positive cash flow the company was able to report to Oct. 31 was achieved by dipping into its working capital and because it has not had to buy raw materials, running down its inventory instead.

So far, USSC has not had to use a line of credit that finances its operations while under protection, but Morrison warned those conditions aren't expected to hold beyond February.

The company has been under creditor protection since September 2014 and is in the midst of cutting the apron strings to its American parent, becoming a standalone company again.

Cost-cutting, Morrison warned, will be the key factor in shaping whatever future the company might have.

"Given current steel market dynamics, identifying and implementing cost savings has become increasingly important," he wrote. "As noted in previous reports … global steel markets have faced significant challenges as a result of weaker demand and significant excess production capacity. The North American market has been impacted by competition from imports as well as the slowdown in the oil and gas sector."

For the Hamilton and Lake Erie mills, those forces resulted in a 22-per-cent drop in steel shipments in October.

Orazietti pushes feds for action on trade

The Sault Star, December 2, 2015
By Elaine Della-Mattia

Sault MPP David Orazietti has penned a letter to the Prime Minister urging him to enforce policies against off-shore manufacturers committing unfair trade practices and ensure that domestic steel production is promoted.

"I am urging you and the affiliated ministries within the Government of Canada to immediately address the issues raised and the remedies suggested, with the assurance that Canada's trade process will be modernized," Orazietti writes. Orazietti said there is much more that needs to be done to strengthen the domestic steel market and ensure that Ontario's steel sector remains competitive in today's challenging global market.

"This change can only be achieved through a re-examination of the framework of laws, regulations, policies and procedures that identify, adjudicate and remedy unfair trading practices that are seriously undermining domestic manufacturers," the letter reads.

He explains that Essar, one of only three fully-integrated steel mills in Canada, provides 2,800 direct jobs and more than 5,000 indirect jobs in the community.

Essar Steel Algoma's recent move to seek protection under the Companies' Creditors Arrangement Act is also being felt by "hundreds of suppliers who are laying off workers and may be forced into bankruptcy… this matter is serious and is affecting the livelihood of thousands of workers and their families in Sault Ste. Marie," the letter states.

Orazietti said the province has supported both Algoma Steel and the newer Essar Steel Algoma in more than the past decade.

It has provided $300 million to support Algoma Steel's retirees through the pension benefit guarantee program, created an energy purchase program that facilitated a $135 million investment by Essar to reduce its energy costs, invested in short-line rail to support the steelmaker's need for transportation infrastructure and created the Northern Industrial Energy Rate Program, saving Essar Steel Algoma about $10 million per year in energy costs.

Orazietti also notes that $30 million of grant money is available to Essar to modernize its plant but only $1 million has been accessed to date as a result of the industry's downturn. A similar loan has been provided by the former federal government.

Orazietti urges Justin Trudeau to examine proposed solutions by the Canadian Steel Producers Association, designed to replace an archaic policy with a new plan that would address new and emerging trade issues.

Essar Steel Algoma has said the termination of its iron ore pellet supply, along with steel prices at their lowest levels in six years, import steel products and a decreased credit rating, have resulted in the need to seek creditor protection under the Companies' Creditors Arrangement Act.

The company has until next August to restructure.

Master's thesis envisions Hamilton's industrial land as livable space

Mark McNeil

Hamilton Spectator | Dec 02 2015

Desirae Cronsberry has written her master's thesis in architecture on a plan to create affordable housing on remediated Steclo Property. She is seen here at the Stelco Gates of U.S. Steel on Wilcox StreetAn image from Desirae Cronsberry's master's thesis project

Steelcity Living: Hamilton, Stelco and the Post-industrial City.• An image from Desirae Cronsberry's thesis project Steelcity Living: Hamilton, Stelco and the Post-industrial City.•

Desirae Cronsberry envisions former steel industry buildings repurposed to hold

affordable housing units.The units would cost $100,000. An image from Desirae Cronsberry's thesis project Steelcity Living: Hamilton, Stelco and the Post-industrial City.•

Desirae Cronsberry got her first look at a steel mill at a Bring Your Kid to Work Day at Dofasco when she was in Grade 9.

"It was amazing to actually get to go on the site where my father worked, to experience the buildings that our city was founded on. Everyone is affected by steel in Hamilton, but not everyone gets to experience it first-hand."

Fast forward a decade, and the now 24-year-old architecture graduate from Carleton University in Ottawa is focusing her attention on U.S. Steel Canada and how that struggling workplace could be changed for the future.

As a restructuring process continues under the Companies' Creditors Arrangement Act (CCAA) for U.S. Steel Canada — as Stelco is now known — Cronsberry has produced a master's thesis that imagines a much different use of the property.
SteelCity Living: Hamilton, Stelco and the Post-Industrial Citylays out a "utopian vision" about transforming the contaminated site into a vibrant mixed-use community with affordable housing "enriched by the remediation and preservation of the site's industrial past."
There would be parks and open spaces around former industrial buildings that would be adaptively reused. Small prefabricated box-shaped housing units would actually be stacked within the former industrial structures. And the units would start at $100,000, something that she has thoroughly costed out, taking into account anticipated remediation costs and profits for developers.

"You keep as much structure as possible from the original steel operation and you insert these housing units inside the buildings," she says.

The paper recently won a Hamilton Urban Design Award. Judges said "This project reveals a number of thought-provoking ideas about the future of the brownfield lands stretched along Hamilton's harbour. The jury was impressed by the degree and detail that this student project took in elaborating upon the utility of these lands, remediation, the supply of affordable housing, and the adaptive reuse of massive buildings on the site."

Partly inspired by the successful conversion of a steel mill in Germany into Landschaftspark — a public park located in Duisburg-Meiderich — Cronsberry argues much can be done with the former Stelco property.

"I think the potential is endless. It's amazing that you have such a large site and such a great location with access to waterfront and so close to the downtown," she said.

She argues much of the soil remediation could be accomplished by using th

Essar Steel Algoma seeks millions in bonuses for 23 key executives

SooToday.com, December 1, 2015
By David Helwig

Essar Steel Algoma is seeking $3.5 million in retention bonuses and incentives for 23 executives it says are critical to see it through its current restructuring under the Companies' Creditors Arrangement Act.

The company has served notice that it will ask a Toronto judge later this week to seek approval of the bonuses as part of a KERP (key employee retention plan).

It wants the court to keep the names of the management and operational executives secret, sealed in a confidential court file.

"All of the KERP participants are... experienced employees who have played central roles in the applicants' operations and/or restructuring initiatives taken to date and will play critical roles in the steps taken in the future," the steelmaker's lawyers argue in a notice of motion.

"The KERP is necessary to ensure the KERP participants continue their employment."

If the bonuses are not paid, there's a significant risk that the key executives will leave, the company says. "If these individuals were to depart Algoma, it would be necessary to replace them," says ESA Chief Financial Officer Rajat Marwah in a sworn affidavit.

"Finding qualified replacements would be disruptive and very difficult, and in light of the applicants' CCAA proceedings and their financial position, expensive," Marwah; affidavit says. "Their institutional knowledge and experience cannot be replaced."

A draft of a confidential letter to be sent by the company to the 23 executives advises them that:

- You must not have disclosed these arrangements to any person other than your personal representatives and legal advisors (other than any disclosure required by law); and
- Prior to the time that the payment becomes payable, you cannot have: a. resigned; b. been terminated with cause; or c. failed to perform your duties and responsibilities diligently, faithfully and honestly in the opinion of your direct supervisor and the special committee of the board.
- We truly appreciate your continued hard work and importance to Algoma as [position], particularly at this time.

The 23 employees have been divided into four groups, each receiving 25, 50, 75 or 100 percent of their annual salaries.
The company proposes making cash retention payments to the 23 employees "upon the earliest of the following events":

- Implementation of a plan of compromise or arrangement sanctioned by the court
- Completion of a sale (or liquidation) of all or substantially all of the assets and operations of Algoma approved by the court;
- termination of a KERP participant's employment by Algoma without cause; and
- December 31, 2016.

Steelworkers Locals 2724 and 2251 and Essar Steel Algoma retirees have served notice that they will oppose the bonuses and the sealing of the list of proposed recipients.

Lawyers from Local 2724 will argue that, because the list is secret, it can't determine whether the employees are key and the amounts payable are appropriate.

"The employee and retiree representatives also object to the order sealing the KERP participant listing," the union lawyers say. "The CCAA process should be open and transparent to the greatest extent possible."

Essar Steel Algoma noteholders are also concerned about the proposed bonuses.

Restructurings in which retention bonuses were paid to key employees include Nortel Networks Corp., Target Canada Co., US Steel Canada Inc. and Grant Forest Products Inc.

Carrots for 'key' employees? Essar to ask court's blessing to offer bonuses

The Sault Star, December 1, 2015
By Elaine Della-Mattia

Essar Steel Algoma will head to court Wednesday seeking a judge's approval for a 'key employee retention plan' that will offer 23 "essential management and operational roles" employees incentive bonuses for staying with the company during the restructuring efforts.

The motion asks for $3,468,027, which is to include a $250,000 reserve amount for additional cash retentions or payments that may be needed in the future.

The company will also ask that the 23 "essential" employees identification and positions or participant list be sealed by the court to protect those identities and personal financial information. Court documents obtained by The Sault Star state that the "key employee retention plan participants are critical to the applicants" CCA proceedings because they are experienced employees who have played central roles in the applicants' operations and/or restructuring initiatives taken to date and will play critical roles in the steps taken in the future.”

The company argues the bonuses are needed to keep those employees working for the company throughout the CCAA proceedings.

Selected employees will be categorized into four groups and each group will receive a percentage of total salary amounts.

The tiers will include those who receive 100% of their salary, 75%, 50% and 25%.

Each participant will be asked to sign a two-page document identifying the dollar amount he or she will receive as an incentive in addition to his or her regular salary as a cash payment when one of four events occur.

The events include when a plan of compromise or arrangement is sanctioned by the court, a sale (or liquidation) of all or substantially all of the Essar Steel Algoma assets and operations of Algoma is approved by the court, termination of employment by Algoma without cause or Dec. 31, 2016.

The document states that the proposal has been approved by a special committee of the board of directors and the board of directors.

The bonus is only payable if the arrangements are not disclosed to anyone by legal advisers and the participant doesn’t resign, be terminated with cause of fails to perform duties and responsibilities diligently.

Meanwhile, more than 120 local and regional businesses that do business with Essar Steel Algoma are owed millions of dollars for services and supplies provided.

The Sault Star earlier reported that a court-filed document shows that secured creditors debt totals a little more than $1.4 billion and unsecured creditor debt slightly more than $163.5 million.

Of that, Sault Ste. Marie area businesses are owed close to $40 million, according to preliminary figures filed with the courts.

Among the list of debts is the Corporation of the City of Sault Ste. Marie. Essar Steel owes the city $13.9 million in unpaid property taxes dating back to 2014, the largest corporation listed in the five-page unsecured creditors list.

Late last month, the steelmaker requested a court order to suspend its November special payment to the employee pension plan.

Essar argued that the company lacks the liquidity necessary to

make the November 2015 special payment.

Essar Steel Algoma sought and received protection from its creditors under the Companies’ Creditors Arrangement Act.

Lowest-ever steel prices, steel dumping, a decreased credit rating and issues with its iron ore pellet supply are the reasons the company cited for the need to file for CCAA protection.

The company has until next August to complete its restructuring plan.

Essar Algoma brings fight over Cliffs's iron ore supplies to Ontario court

The Globe and Mail, November 29, 2015
By Greg Keenan

Essar Steel Algoma Inc. and Cliffs Natural Resources Inc. have taken their 18-month battle over shipments of iron ore to two courts, which will decide whether a Canadian court can order Cliffs to renew shipments of iron ore that it cut off in October.

The steel company, which says the decision by Cleveland-based Cliffs to halt shipments of iron ore triggered its filing for protection under the Companies' Creditors Arrangement Act, wants the Ontario Superior Court to declare the mining company a critical supplier, which would force Cliffs to continue shipping.

Cliffs halted shipments to Essar Algoma in October amid a dispute about prices, blaming the steel maker for taking actions that forced the halt in shipments.

Cliffs has filed a motion with the U.S. Bankruptcy Court in Delaware, saying the issue should be decided by a federal court in Ohio where the dispute was first taken and where it is already being adjudicated.

At issue, Essar Algoma said, is whether it will have enough iron ore to keep operating through the winter, thus avoiding a potential shutdown of its mill in Sault Ste. Marie, Ont., and the loss of contracts to other steel makers.

Since the Cliffs contract was terminated in October, Essar Algoma has obtained two-thirds of the iron ore it needs to get through the winter when the shipping lanes are frozen. But it said in court filings that "failure to re-establish Cliffs's supply of iron ore pellets may prove disastrous for Algoma and the many people who depend on it."

Negotiations are under way with other suppliers - and Cliffs - but the Ontario Superior Court will need to intervene and declare Cliffs a critical supplier if those talks don't lead to a new supply contract, Essar Algoma said.

For its part, Cliffs has responded in filings in Delaware that Essar Algoma is seeking to gain a windfall by persuading the Ontario Superior Court to force Cliffs to supply the ore on the terms the steel maker wants.

Essar Algoma has been granted protection from creditors by the Delaware court under Chapter 15 of the U.S. Bankruptcy Code.

“Having refused Cliffs’s reasonable offers for a negotiated resolution, Algoma is attempting to use the CCAA proceeding to obtain greater rights than it has under state contract law or U.S. bankruptcy law,” Cliffs said.

“There is no precedent for this relief under the CCAA. There are no prior cases in which a court applying the CCAA deemed a party not currently in a supplier relationship with the debtor a ‘critical supplier’ and compelled that party to supply the debtor.”

Cliffs said it is prepared to continue supplying Essar Algoma.

“What Cliffs is unwilling to do is supply on terms that are onerous and provide little benefit to Cliffs based on Algoma’s failure to live up to its obligations.”

The Spectator's View: No stone unturned for a post-steel city

Hamilton Spectator, November 28, 2015

It is great news the Ontario government has asked former TD Bank president Ed Clark to evaluate prospects for the former Stelco operations in Hamilton, as well as the province’s steel industry as a whole.

As The Spectator’s Matthew Van Dongen reported Friday, Clark has been asked to take “a hard look” at the possibilities and value of the remaining U.S. Steel assets. Of course the province has a vested interest in getting as much value as possible out of those assets, given the province is indirectly on the hook for covering U.S. Steel‘s looming pension shortfall, as well as recovering a $150 million loan to the company.

Clark’s priority is reportedly ensuring help for workers and pensioners who are at risk as a result of the company’s bankruptcy process. Clark’s help in this process is welcome. He has an established reputation for being a financial fixer for the province. (He’s also responsible for introducing beer in grocery stores.)

Clark’s help is equally welcome in exploring possibilities for a post U.S. Steel future for Hamilton, including the 818 acres up for sale on Hamilton harbour.

This spring, The Spectator’s Amy Kenny and John Rennison set out on a 10-day tour of former rust belt cities in the U.S. - cities like Buffalo, Pittsburgh, Cleveland, Allentown and Youngstown - to discover what those cities have done with their abandoned steel lands. They discovered an inspiring array of possibilities - everything from entertainment hubs and recreational trails to research facilities and wind farms.

There was one common thread: planning. Public officials, often in partnership with the private sector, devised a well-thought-out strategy for the future, and did not settle for the easy fix.

In the series, former Pittsburgh mayor Tom Murphy said he was struck by the huge opportunity the waterfront steel lands posed for Hamilton. But he stressed the need for a vision. “You want to be in control of your future. You don't want to be pushed into responding to … what might be the lowest common denominator," Murphy said.

We don't know what the best solution is for Hamilton and other former industrial centres. But until we explore all options - a process that should have begun long ago - we cannot find the best outcome. Various players - including the Port Authority and the city - are already working on possibilities for those lands. There is so much at stake for the city that no stone should be left unturned. No alternatives should be ruled out without serious investigation.

And the conversation must be one that citizens have a significant role in. No back-room decisions suddenly thrust on the city from political and economic corridors of power.

This study from the provincial level, but in consultation with local players, is to be embraced.

Essar seeks to suspend special payment

The Sault Star, November 27, 2015
Elaine Della-Mattia

Essar Steel Algoma has sought a court order to suspend its November payment for the Special Payment to the employee Pension Plan.

The 'special payment' due Nov. 30, is part of a payment plan agreed to by the company to help make up for the pension shortfalls that were reported in 2013 and dealt with by way of an approved provincial government regulation.

Brenda Stenta, manager of corporate communications at Essar Steel Algoma, confirmed in an email that a consent hearing was held Friday in Toronto regarding the November 30 payment.

"All parties are agreed to suspend and will seek court approval. The terms of the debtor-in-possession financing do not allow for this payment and thus the request," she said in her email.

United Steelworkers of America Local 2251 president Mike DaPrat said the local has consented to the company's request to suspend this month's payment.

"The company is in the early stages of CCAA and the parties are exploring ways to address restructuring," DaPrat said. "As part of that, the union needs to take a responsible position that would allow, at a minimum, the exploration of a resolution of some of these issues," he said.

While the defined benefit pension plan remains underfunded, DaPrat said the suspended payment won't have a direct effect on retirees at this time.

"The plan is underfunded and we're keeping our eye on that," he said.

The Ontario Government passed a regulation in 2013 providing funding relief for the steelmaker's defined benefit pension plans. The regulation allowed the company to provide fixed payments over a three-year period and extended the amortization period through to 2024.

Earlier this month Essar Steel Algoma sought and received protection from their creditors under the Companies' Creditors Arrangement Act.

Court documents state Essar lacks the liquidity necessary to make the November 2015 special payment.

Lowest-ever steel prices, steel dumping, a decreased credit rating and issues with its iron ore pellet supply are the reasons the company cited for the need to file for CCAA protection.

The company has until next August to complete its restructuring plan.

Duties slapped on steel used for pipelines

The Globe and Mail, November 27, 2015
By Greg Keenan

The federal government has fired another salvo in the battle to halt or reduce the amount of steel being dumped into Canada by foreign steel makers.

The Canada Border Services Agency has imposed preliminary duties of between 71 and 396 per cent on carbon and alloy steel line pipe imported from China.

The steel is used in pipelines and other activities in the oil and gas industry.

The decision was applauded by Evraz North America, which operates four production facilities in Western Canada.

"We actively compete globally with line pipe manufacturers, but foreign companies should not be allowed to dump their product while we reduce Canadian employment to save their subsidized jobs," Conrad Winkler, the company's chief executive officer, said in a statement.

Evraz North America operates steel-making, pipe and recycling facilities in Alberta and Saskatchewan.

The steel maker laid off 385 employees earlier this year in Calgary and Red Deer, Alta., amid the oil price collapse, but has since brought back 165 workers with both facilities operating at reduced levels.

The federal agency found earlier this year that pipe imported from China had risen to 56 per cent of the market between June, 2014, and June, 2015, from 47 per cent in 2012.

There are several other cases under way at Canadian trade authorities as steel makers seek to stem the tide of dumped steel, which has sent the prices the companies in Canada receive for their products down 40 per cent in North America since the beginning of 2015.

Preliminary duties of 51 per cent have been imposed on OAO Severstal of Russia and levies of 241 per cent on Indian steel makers for imports of plate.

Plate is a crucial product for Essar Steel Algoma Inc. of Sault Ste. Marie, Ont., which is operating under the protection of the Companies' Creditors Arrangement Act, after having cited, in part, the impact dumped plate is having on its financial results.

"The domestic mills have suffered material injury in the form of lost sales, price undercutting, price depression, price suppression, reduced market share and reduced employment. As a result, the domestic mills have been negatively impacted, as reflected in diminished net sales revenues, gross margins and net profits, as well as capacity underutilization," Algoma said in a filing to the Canadian International Trade Tribunal.

"Because of aggressive competition from the new offshore sources, the domestic industry is now in a no-win position; it can either suffer poor capacity utilization or it can increase production at the expense of huge net income losses," Algoma said.

Steel woes: Call in Fixer Ed - he'll size up U.S. Steel

Hamilton Spectator, November 27, 2015
B*y* Matthew Van Dongen
The province has asked retired bank president Ed Clark to size up the prospects for former Stelco operations in Hamilton along with Ontario's steel industry as a whole.

Premier Kathleen Wynne made the former TD Bank head an unpaid "business adviser" this summer.

By that point he'd already earned a reputation as the province's financial fixer and the face of revenue-generating recommendations like the Hydro One sale and opening up beer distribution in Ontario.

Now the province has asked him to take "a hard look" at the prospects and value of the remaining U.S. Steel assets, including those in Hamilton, said Mayor Fred Eisenberger.

"My understanding is (Clark) is having a hard look at the assets that are there, to make an assessment for the ministry of what is viable, sustainable and worthy of investment … and what is not viable," said Mayor Eisenberger, who had met with provincial cabinet ministers on Tuesday during the Hamilton at Queen's Park Day.

Eisenberger said the "number one priority" for Hamilton and the province is ensuring help for workers and pensioners at risk as a result of U.S. Steel Canada's implosion.

"But we're also looking at the long-term sustainability of the lands, the facility, the industry as a whole in Hamilton, so it's very much good news that (the province is) willing to engage."

Kelsey Ingram, press secretary for Finance Minister Charles Sousa, said Clark is working on the province's behalf to "further understand the economic impact of the evolving situation at U.S. Steel."

He is expected to provide advice on "medium- to long-term implications" to the Ontario steel industry and its supply chains, Ingram added.

Eisenberger said that assessment is important because the province "has a role to play in encouraging companies to stay or locate" in Hamilton and many steel-related businesses and workers will be affected if the Hamilton Hilton Works is mothballed.

"They need to determine what, if anything, they're able to do to encourage that industry to flourish here," he said.

The immediate fate of the former Stelco lands remains in legal limbo. U.S. Steel Canada continues to operate under court-ordered creditor protection as it seeks to restructure, but it has been effectively cut off financially by its American parent company.

The company failed this year to sell part or all of its facilities and land in Ontario, including 818 acres on Hamilton harbour, despite apparent interest by giant India-based steelmaker Essar. Another attempt is expected next year.

Eisenberger said he hopes to receive "equally positive" help from the new federal government in searching for a post-U.S. Steel future.

New federal NDP representative Scott Duvall, until recently a councillor and member of the city's steel committee, said he considers pension obligations and holding U.S. Steel accountable "priority one" for all levels of government.

But he added expert study of the city's backbone industry is welcome.

There is intense local interest in the potential sale of unused former Stelco lands, with the land-starved Hamilton Port Authority admitting particular interest.

Local politicians have also mused wistfully about a theoretical land swap that would allow CN to move its Stuart Street shunting yard away from the west harbour.

The city has formally declared an interest in any potential land sale associated with the U.S. Steel restructuring.

Who is Ed Clark?

• Former president of TD Bank.

• Chair of the Premier's advisory council on government assets.

• Architect of partial sell-off plan for Hydro One.

• The man to thank for beer in grocery stores.

• Follows in the footsteps of past TD Bank chief economist Don Drummond, who was hired by the Liberals to report on government operations.

U.S. Steel debt claim fast-tracked

The Hamilton Spectator, November 27th, 2015
By Steve Arnold
U.S. Steel has won a chance to get its debt claims against the former Stelco heard ahead of others.

In a decision released late Wednesday, Justice Herman Wilton-Siegel swept aside objections from workers and the provincial government.

He held that the starting point for deciding the issue is whatever action gives the best chance of finding a restructuring solution for the company.

“It cannot be disputed that a settlement of the USS claims would go a considerable way toward a determination of all claims,” he wrote.

The Pittsburgh-based steel company claims it is owed more than $2.2 billion by its struggling Canadian arm. It says uncertainty over that debt is crippling efforts to sell the Hamilton and Nanticoke steel mills as going concerns.

“In this case the objecting parties have not provided any persuasive evidence that a determination of the USS Claims, in particular the validity of the secured USS Claims, would not provide some certainty that would assist prospective bidders,” Wilton-Siegel wrote.

The judge also ruled that determining the USS claims could affect voting on a final restructuring plan, the distribution of assets, appointment of a receiver or liquidator of the company or for a proposed purchase.

Chief restructuring officer Bill Aziz said in an affidavit supporting the motion that not settling the USS claims has already convinced one potential buyer not to bid for the Stelco mills.

Also, Aziz said, it could hobble any future effort to sell the plants by making it unclear how much money might be available to settle pension and health benefits claims.

“A buyer of this business is concerned about labour relations and starting off on the right foot with its employee base and wants to maximize what is available for them,” he said.

“They need to understand based on their bid how much money from their bid is available for those parties as opposed to how much is going to go to USS, and the claims determination is fundamental to that.”

U.S. Steel Canada has been under creditor protection since September 2014 after claiming it was buckling under the weight of bad business conditions and the cost of top-up payments to seriously underfunded pension plans.

Since then, the American parent company has filed 14 claims alleging it is owed more than $2.2 billion by the former Stelco. That claim amounts to 90 per cent of all secured claims and half of all unsecured claims against the company.

The USS claims are opposed by the province, the United Steelworkers, two of its locals and a group of active and retired salaried employees.

They allege - among other arguments - that:

The USS claims are really an effort to recover the cost of buying Stelco in 2007.

The security given to USS for those claims "should be invalidated on the grounds of a fraudulent preference."

Uncertainty over potential debts means nothing to possible buyers of the mills - their only concern is whether the company can be operated profitably in the future.

Wilton-Siegel ordered that a trial date for the debt issue be set "as soon as reasonably possible."

But he acknowledged that's not likely before the end of January.

To speed the issue along, he suggested issues in the trial be restricted to the validity of the USS claims and security.

Aziz has been ordered to hold a case conference to look at that and set a date for the trial.

In a related development, U.S. Steel Canada has filed documents asking for an extension of its creditor protection order to Jan 29. The current order expires Dec. 10.

In an affidavit supporting the motion, USSC president Mike McQuade said the extension is required to give the company time to develop a new sales process.

That process is expected to start by May 31 with binding offers due Oct. 31.

Such extensions are approved almost automatically.

Justin Trudeau and Canada's Mining Industry

November 29, 2015
Author:
Yves Engler
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CounterPunch

Two weeks ago police shot and killed an individual at Pacific Wildcat Resources tantalum mine in central Mozambique. The incident received some attention in Canada because community members responded by seizing the Vancouver-based company's mine site and setting some equipment ablaze.

One protester told *O Pais* newspaper this wasn't the first time someone was shot dead at the mine and another said "We don't want [1] to see the managers of this company operating in the mine anymore. Otherwise we will take the law into our own hands. The director of the company does not respect us, and we cannot allow someone to come and enslave us in our own country."

In recent years Canadian mining companies have engendered a great deal of violence across Africa. In 2008 Guinea's military killed three in a bid to drive away small-scale miners from SEMAFO's Kiniero mine in the southeast of the country. BBC Monitoring Africa reported that "the soldiers shot a woman at close range, burned a baby and in the panic another woman and her baby fell into a gold mining pit and a man fell fatally from his motor while running away from the rangers." Blaming the Montréal-based company for the killings, locals damaged its equipment.

To the south east the Ghanaian military opened fire on a 5,000-person demonstration against a Canadian-owned mine in June 2005. Seven [2] of those protesting Golden Star's pollution and refusal to compensate those impacted by its operations were hit by bullets. Backing a hardline approach to the local community, a company official called for "some radical [3] way" to change the "mindset" of small-scale unlicensed miners in the region.

Fifteen hundred kilometers north, Mauritania's national guard raided a peaceful protest, killing one [4] employee and wounding several others during a July 2012 strike at First Quantum's Guelb Moghrein mine. A release from the Vancouver company afterwards called the strike illegal, but failed to mention [5] the death or injuries.

On the other side of the continent security guards paid by Barrick Gold (now Acacia) have killed a couple dozen [6]villagers at, or in close proximity, to the Toronto company's North Mara mine since 2005. Hundreds more have been severely injured by the security and police Barrick pays to patrol the perimeter of its Tanzanian mine and regularly calls on site. Most of the victims were impoverished villagers who scratch rocks for tiny bits of gold and who mined these territories prior to Acacia's arrival.

Two thousand kilometers southeast Anvil Mining transported Congolese government troops who killed 100 [7] people near its Dikulushi mine in the port town of Kilwa, Katanga. Most of the victims were unarmed civilians.

After a half-dozen members of the little-known Mouvement revolutionnaire pour la liberation du Katanga occupied the Canada-Australian company's Kilwa concession in October 2004, Anvil provided the trucks used to transport [7] Congolese soldiers to the area and to dump the corpses of their victims into mass graves. A Congolese military commander told UN investigators that the military operation in Kilwa was "made possible [8] thanks to the logistical efforts provided by Anvil mining."

Immediately after the massacre, an Anvil press release celebrated the return of law [9] and order to its mining territory without reporting the use of Anvil planes and trucks to support the military intervention or the deaths near Kilwa.

Despite a long list of abuses by Canadian mining companies in Africa (and elsewhere) it's incredibly difficult to hold them accountable domestically. The previous Stephen Harper government opposed legislation modeled on the U.S. Alien Torts Claims Act that would have allowed lawsuits against Canadian companies responsible for major human rights violations or ecological destruction abroad. Similarly, the Conservatives and some opposition MPs defeated Liberal [10] MP John McKay's private members bill (C – 300), which would have withheld diplomatic and financial support from companies found responsible for significant abuses abroad.

Is Justin Trudeau prepared to defy Canada's powerful mining industry and adopt legislation to constrain their abuses abroad or will he continue to place the full power of Canadian foreign-policy behind this controversial industry?

Yves Engler *is the author of The Ugly Canadian: Stephen Harper's Foreign Policy [11]*
