

RG Steel Idling MD, OH, WV Operations

Alex Dominguez, Associated Press

BALTIMORE (AP) — RG Steel is idling operations in Maryland, Ohio and West Virginia, the struggling steelmaker announced Thursday as it warned employees of "a lot" of layoffs.

RG Steel spokeswoman Bette Kovach said the company would idle operations at its Sparrows Point steel mill outside Baltimore as well as in Warren, Ohio and Wheeling, W.Va. The Sparrows Point plant has about 2,000 employees. Kovach did not release figures on employment at the other two operations or how many layoffs were expected.

"A lot. I don't know the exact number because we will be putting the plants into asset protection," Kovach said.

Tony Montana, a spokesman for the United Steelworkers, said the union represents about 4,000 workers at RG Steel. Half are at Sparrows Point and the remaining 2,000 employees are split about equally between the West Virginia and Ohio plants.

RG Steel said in a statement that it issued the warning because of "continued uncertainty regarding outcome of discussions with our lenders" to sustain business operations.

Dave McCall, who chairs the USW team negotiating with RG Steel, said in a statement that the union "is continuing to work closely with RG Steel management to improve the company's liquidity during this process, and we are focused on preserving the tradition of making steel in these communities for the long term."

RG Steel bought the plants last year, making it the fourth-largest flat-rolled steel producer in the country. The company has struggled financially since then. Kovach said earlier this week that the steelmaker was considering asset sales.

The company will idle hot steelmaking and finishing at the Sparrows Point mill, hot steelmaking at the Warren, Ohio plant, and finishing operations at the Wheeling, W.Va. plant, which finishes steel made in Warren, Kovach said.

"That's basically the company," the spokeswoman said.

The decision does not affect a coke-making facility in Follansbee, W.Va., which is part of a joint venture, Kovach said.

The company also said it had filed notice with union officials and labor regulators. Large employers are required to provide notice 60 days in advance of plant closings and mass layoffs, according to the U.S. Department of Labor.

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Shannon Davis, a spokeswoman for the Maryland Department of Labor, Licensing and Regulation, said she had yet seen the notice.

Kovach said earlier this week that the company is considering selling assets. The spokeswoman confirmed on Monday reports that potential buyers have expressed interest in acquiring company facilities and all options are on the table.

The company shut down the Sparrows Point blast furnace just before Christmas and notified state officials that it was laying off about 720 workers. RG restarted the blast furnace earlier this year after receiving financing from a New York hedge fund.

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