

Futures of LTV and CSC look a little brighter

Mon, Aug 6, 2001

Something new

Pick up Sunday's Vindicator and check out some new features. Our Life & Work page focuses on the phenomenon of husbands and wives who disrupt their own careers to follow their spouses to new towns and occupations. Also, get the most out of your money by reading Jeff Brown's personal finance column in the business section.

Back to school

In Sunday's Vindicator, school days are back and we take a look at what's new and interesting at school districts in Mahoning, Trumbull, Columbiana counties in Ohio, and Mercer and Lawrence counties in Pennsylvania.

Bertram de Souza

In its usual fashion, the Citizens League of Greater Youngstown used innuendo and guilt-by-association to explain why public officials should no longer attend the so-called Cafaro Roundtable luncheons, Bertram de Souza writes Sunday. His column will appear on page G6.

NASCAR

Fast Track, The

A month ago, it appeared that CSC Ltd. of Warren was headed for the chopping block, literally, while LTV Steel's survival hinged on a federal bankruptcy court judge's view of a "consensual agreement" between the company, its creditors and the United Steelworkers of America. Today, however, there is reason for optimism, albeit guarded.

Two major developments last week have set the stage for what promises to be an exciting August for everyone who has an interest in what happens to the two important steel making companies.

CSC, which faces a liquidation hearing in less than three weeks, may be saved by a coalition of management buyout and consulting firms. Renaissance Partners Inc., which has offices in Cleveland, Pittsburgh and Detroit, is heading a group of experts developing a business plan to get the mill running again. There is, however, this condition: Investors who would be willing to spend \$50 million to buy and restart the company must be persuaded that CSC will make money.

Realities: Yes, it's a tall order, given the realities of the Warren steelmaker, in particular, and the American steel industry, in general, but there is every reason to believe that Renaissance Partners and the other business turnaround experts involved in the project are committed to doing everything they can to bring about a restart.

As John Logue, director of the state-funded Ohio Employee Ownership Center at Kent State University, put it, "These people are real. They seem to have the ability to perform, they seem to know what they're doing. This seems to be the only offer we've seen that could start the mill as a major steelmaker in Warren once again."

Logue has been working with CSC employees to explore the feasibility of an employee buyout of the mill.

Renaissance Partners and the other coalition members have set an Aug. 15 deadline for the business plan. The Valley will be pulling for them. After all, CSC was the fourth largest employer in Trumbull County before it closed its doors in April.

Meanwhile, bankruptcy Judge William Bodoh's approval of new labor agreement between LTV and the steelworkers union means that the company has a chance of emerging from bankruptcy and even becoming profitable. The plan, which will be voted on by union members later this month, is expected to save the troubled Cleveland-based steelmaker more than \$1 billion over five years.

Health benefits: In return for permitting LTV to borrow \$140 million from the union-negotiated Voluntary Employee Benefits Association to pay for health benefits and pension, workers would have a 20 percent ownership in the company, two seats on LTV's board of directors and profit sharing.



Submit

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Vindicator's weekly look at motorsports, runs every Friday with previews and news from the racing world.

All these things are important because they give the workers a very real stake in the giant steel producer.

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