

Investment firm looking into Amer. Steel & Wire purchase

Renaissance Partners' interest linked to effort to buy CSC

By DAVID PRIZINSKY

American Steel & Wire, a steel bar and rod mill in Cuyahoga Heights that was mothballed this summer by parent Birmingham Steel Corp., has attracted the attention of Renaissance Partners Inc., an investment banking firm with offices in Cleveland and Pittsburgh.

"We are looking at the entire SBQ (special bar quality) industry," said George P. Petrenko, a principal in Renaissance Partners. SBQ products are used by machine shops and forging companies in the production of parts for the automotive and machinery industries. They are often custom-designed and sell for higher prices than merchant bar quality (MBQ) products.

Mr. Petrenko's interest in American Steel & Wire is linked to an effort by Renaissance Partners to revive the idled operations of CSC Ltd., a Warren producer of special quality bar products that last January filed for Chapter 11 bankruptcy protection from creditors in the U.S. Bankruptcy Court in Youngstown. Mr. Petrenko said if Renaissance is successful in financing the acquisition of CSC, it could mean new life for American Steel & Wire, a company that at its peak employed more than 400 workers.

Mr. Petrenko said the successful resolution of the CSC case is critical because CSC, also a producer of SBQ products, would serve as a "platform" for additional acquisitions in the high-quality segment of the steel industry. He said reviving CSC would be especially important because the CSC plant in Warren could be a source of semi-finished steel that AS&W needs to make its products. The CSC plant has been closed since last April. AS&W did not have steelmaking capability and had to buy semi-fin-

ished steel on the open market, an operating requirement that contributed to its downfall, according to steel industry experts such as Charles Bradford of Bradford Research in New York, an investment advisory firm.

James A. Todd Jr., vice chairman of Birmingham Steel, said Renaissance has contacted his company about its interest in American Steel & Wire. He said Birmingham Steel would welcome discussions with Renaissance, which is a subsidiary of the law firm Doepken Keevican & Weiss.

Birmingham Steel, headquartered in Birmingham, Ala., decided to close the Cuyahoga Heights plant in June this year after attempts to sell the mill were unsuccessful. Birmingham Steel is primarily a producer of merchant bar quality products and concrete reinforcing bars and had difficulty adjusting to the requirements of the special bar quality industry.

Mr. Petrenko said Renaissance is negotiating with the United Steelworkers of America to tailor a new contract for CSC that would reduce costs and would enable the company to resume operations. Renaissance had asked the Bankruptcy Court to give it more time to reach an agreement and to turn down requests by lenders that the steel company's equipment be sold piecemeal at auction. Late last week the court gave Renaissance until Oct. 1 to develop a business plan.

"We are making progress," he said regarding a new labor agreement.

Mr. Petrenko said while the special bar quality industry is distressed, there would be opportunities for companies that can restructure and reduce costs.

"There is no good reason for American Steel & Wire to be closed," he said.

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George P. Petrenko, principal Renaissance Partners Inc.