

To Our Legislators, State Officials and Other Friends of Steel

Over the last three years, unfairly traded steel imports – combined with other economic variables, including low pricing and reduced demand – have severely undermined market conditions for steel. As you know, these market conditions forced two of our Ohio Steel Council member companies, LTV Steel Company and CSC Ltd., to cease operations in 2001. Two other Council member companies remain in Chapter 11, Republic Technologies International and Wheeling-Pittsburgh Steel Corp., but each has strong prospects for improved performance in 2002 and beyond.

We are extraordinarily grateful to President George Bush, Ohio Governor Bob Taft, the Ohio Congressional delegation, state legislators and state officials for their continued support during these challenging times. In particular, we appreciate how our state officials have educated themselves on issues relating to the steel industry and shared their enlightened views in Washington. Their influence has yielded important results. In late October, the International Trade Commission found that the domestic steel industry had been “seriously injured” by unfairly traded steel imports. Based on that finding, President Bush – much to his credit – imposed tariffs ranging from 8 to 30 percent on most imported semi-finished steel products, a courageous first step in addressing an inequitable trade situation.

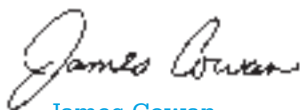
In addition, we are grateful to the Ohio General Assembly for specific legislation assisting the steel industry in 2001. One such piece of legislation permits tractor trailers to carry slightly heavier loads under certain conditions, which should reduce shipping costs and truck traffic. We also extend our thanks to the Ohio state government, including the Department of Development, for grants to retrain steelworkers in computer-related and quality-control equipment.

Lately, we have noted that Ohio steel companies could benefit from an adjustment in the state’s depreciation schedule for the personal property tax. The current schedule is out-of-date and inequitable when compared to that of other steel-producing states, such as Indiana.

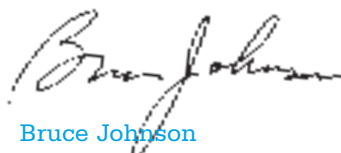
While 2001 was a challenging year for steel, Ohio’s steel industry remains one of the most viable in the nation, not only in terms of tons of steel produced, but also in terms of quality of product. It is because of our product quality that we are confident of success in an improved market environment.

As our nation addresses a continuing terrorist threat in the wake of September 11, it is well worth thinking about the role Ohio’s steel plays in supporting our country and its infrastructure. This year’s annual report features our products and their inherent value in national, state and local infrastructures. The 32,300 Ohio residents who work in the steel industry are very proud of these products. And that pride undoubtedly extends to another 64,600 Ohio residents whose jobs are closely tied to the steel industry. We hope you will share in our pride and will continue to work with us to ensure that Ohio remains a state distinguished for its world-class steel production and processing.

Best regards,



James Cowan
Co-Chair of the Ohio Steel Council
General Manager of North Star Steel Ohio



Bruce Johnson
Co-Chair of the Ohio Steel Council
Director of the Ohio Department of Development

Standing by the Nation

Ohio Steel Council Annual Report 2001

In the wake of the September 11 terrorist attacks, our nation is being tested, not only in terms of defense capabilities, but also in terms of our economy and capacity to remain one of the world's most productive nations. Steel will play an important role in fortifying our nation during these challenging times. As a basic material employed in transportation, power generation, national defense, and oil and gas exploration and delivery, steel works hard on behalf of America. It may not always be the most visible component of our infrastructure, but it is always there, steady and strong, keeping things moving from one place to the next. Ohioans should be proud that more steel is produced and processed in the Buckeye State than in any other place in the nation.

Essential end uses for steel produced in Ohio

Drive trains, transmissions and integral structural members for light and heavy trucks, logistical systems: *Pittsburgh Logistics Systems, Inc., PRO-TEC Coating Company, Republic Technologies International, The Timken Company, USS Pipe Lorain Mills, WCI Steel, Inc.*

Power generation, oil and gas exploration and delivery: *AK Steel Corp., North Star Steel Ohio, The Timken Company*

Rail systems, including bearings, piston pins, wheels, axles and cylinder liners: *Republic Technologies International, The Timken Company*

Engineered steel parts for aircraft, jet engines and landing systems: *AK Steel Corp., Republic Technologies International, The Timken Company, WCI Steel, Inc.*

Precision steel bearings for wheels, engine parts and helicopter rotors: *Republic Technologies International, The Timken Company*

Roads, highways and bridges, including guardrails, drainage systems and bridge supports: *AK Steel Corp., North Star Steel Ohio, WCI Steel, Inc., Wheeling-Pittsburgh Steel Corp.*



bridge

tractor cab

trailer frame

exhaust system

clutch plates

door hinges

alternator

door latches

bearings

axles

pistons

tire chains

transmission

radials

fuel tanks

running boards

rebar

drive shaft

road sign

trailer hitch

brake rotors

sign post

culvert pipe

guardrail



In each town across Ohio, there is a local infrastructure consisting not only of roads and bridges but of emergency vehicles, utility and service trucks, construction equipment, manufacturing facilities and farm machinery. Steel is fundamental in each of these functions. Take the town fire truck, for example. From front to back, it rests on two steel rails, one on each side. These are the “frame rails,” the strongest component of the truck, holding the chassis to the truck body and keeping the whole mass straight through rapid emergency runs and sharp turns. In addition, every steel part on the truck, every valve and fitting, wheel and bearing, must work with perfect consistency. Ask any firefighter. They know that steel is a reliable partner in an emergency.

Essential end uses for steel produced in Ohio

Pumps, valves, fittings, hydraulic cylinders and crankshafts for manufacturing systems, emergency and construction equipment: *North Star Steel Ohio, Republic Technologies International, The Timken Company*

Anti-microbial stainless steels for food, medical and surgical applications: *AK Steel Corp.*

Generators, electrical steels, lighting, oil and gas systems: *AK Steel Corp., North Star Steel Ohio, WCI Steel, Inc.*

Machined and forged parts for farm machinery, manufacturing and construction equipment: *North Star Steel Ohio, Republic Technologies International, The Timken Company, WCI Steel, Inc.*

Truck bodies, high-strength auto beams, bumpers, bearings and wheels: *AK Steel Corp., PRO-TEC Coating Company, Republic Technologies International, The Timken Company, WCI Steel, Inc.*

Corrugated steel roofing for warehouses and manufacturing facilities: *AK Steel Corp., Wheeling-Pittsburgh Steel Corp.*

Accuracy, technology, meticulous care and education: *The Ohio State University, Stark State College of Technology, United Steelworkers of America*

In the home, steel provides structural support for the house itself, transportation for the family, heating and cooling, cookware, appliances, tools, lawn mowers, bicycles, skateboards and golf clubs. Practically everything a family does depends on steel in some way. A mother pours herself a glass of water in her kitchen, just before leaving to pick up her boys from soccer practice. Later, she will cook dinner. Is she thinking about the stainless steel in her water pitcher? Will she be thinking about the structural steel parts in her family vehicle, the stainless steel in her cookware? Probably not, but steel is there anyway, ensuring the family's safety and well-being.

Essential end uses for steel produced in Ohio

Appliances, including motors, enameled steel, stainless steel exteriors: *AK Steel Corp., PRO-TEC Coating Company, WCI Steel, Inc.*

Passenger automobile bodies, internal framing, gears and shafts, exhaust systems, clutch plates, seat belts, oil filters: *AK Steel Corp., PRO-TEC Coating Company, Republic Technologies International, The Timken Company, USS Lorain Pipe Mills, WCI Steel, Inc., Wheeling-Pittsburgh Steel Corp.*

Heating and cooling systems, ductwork, furnaces, hot water heaters, oil and gas: *AK Steel Corp., North Star Steel Ohio, PRO-TEC Coating Company, WCI Steel, Inc., Wheeling-Pittsburgh Steel Corp.*

Cutlery, cookware, tin cans, stainless steel surfaces for food preparation: *AK Steel Corp., Wheeling-Pittsburgh Steel Corp.*

Golf clubs, bicycles, garden tools, hand tools, fasteners, lawn mowers, electric saws: *AK Steel Corp., Republic Technologies International, WCI Steel, Inc.*

Steel framing: *Wheeling-Pittsburgh Steel Corp., WCI Steel, Inc.*



Ohio Steel Council Members

AK Steel Corp.

CSC Ltd.

LTV Steel Company

North Star Steel Ohio

Ohio Department of Development

Ohio House of Representatives

Ohio Senate

The Ohio State University

Pittsburgh Logistics Systems, Inc.

PRO-TEC Coating Company

Republic Technologies International

Stark State College of Technology

The Timken Company

United Steelworkers of America

USS Lorain Pipe Mills

WCI Steel, Inc.

Wheeling-Pittsburgh Steel Corp.



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