

American Metal Market

AMM, 225 Park Avenue South, New York, NY 10003



Flying Blind

Welcome to the unfriendly skies. Hostile market conditions have combined to pare visibility of aero metals' near-term prospects to a bare minimum.

MR. BLOOM GOES TO WASHINGTON

LIFO: ARE ITS DAYS FINALLY NUMBERED?

THE REMAKING OF RYERSON

A veteran and hero of the 'steel wars' of the '90s, Ron Bloom has left the USW's executive offices to join the Presidential Task Force on Autos.

The President calls and Mr. Bloom goes to Washington

WASHINGTON: On the surface, Ron Bloom, former special assistant to United Steelworkers union president Leo Gerard, is about as far from the image of an investment banker as one could possibly imagine.

A day after accepting a position as senior advisor to the Treasury Department on President Obama's auto task force, Bloom woke up before 4 a.m. in Pittsburgh, climbed into his beat-up 1997 Ford Taurus and drove to Washington to report for duty at the Treasury Department.

In many ways, Bloom, drawing on his experience in helping restructure the steel industry, may be the perfect man for the job, according to associates and industry analysts.

"He has mastered a set of skills which give him a unique set of capabilities to deal with the various facets of the auto situation," said Michael Locker, founder and president of Locker Associates Inc., New York, a steel consulting firm that worked closely with Bloom in helping remake the nation's steel industry during a tumultuous decade starting in the late 1990s. "If I were to name one person I'd want involved in the (auto) process, it'd be him."

Bloom, who holds an MBA from Harvard University and who worked as an investment banker at Lazard Freres & Co. LLC, has a deep understanding of both the financial community and the unions. More importantly, he possesses the political savvy to steer negotiations between the two sides.

"The union owns the card for success," Locker said. Steel, he noted, was highly balkanized and therefore somewhat different from the auto industry. "But by making an alliance with Wilbur Ross (founder of the former International Steel Group) and finding a partner, they (management) could work with him."

Bloom appreciates that negotiating with unions is a "highly political" and complicated process, Locker said. "He understood all those things more clearly than any other person in the room."

"His experience is right on the mark," said James Moss of First River Consulting in Pittsburgh. "He understands steel strategy, union contracts and the implications of Chapter 11 proceedings. . . .



The right stuff. "His experience is right on the mark," a consultant said of Ron Bloom. "He understands union contracts and the implications of Chapter 11 proceedings."

Ron will make a valuable contribution, I'm sure."

One big hurdle that Bloom will encounter involves the sheer number of government bureaucrats that are officially part of the 26-member Presidential Task Force on Autos: staffers from the Treasury, Commerce, Labor, Energy and Transportation departments, representatives from the Environmental Protection Agency, members of the National Economic Council, plus energy and climate change czar Carole Browner and New York investment banker Steven Rattner.

But Locker said "that type of set-up plays to Ron's strengths. He knows how to build coalitions and move the process forward. He has the ability to put the deal together politically as well as economically."

"We are big believers in dentist-chair bargaining," Bloom told a meeting of bankruptcy law professionals nearly three years ago, an approach inspired by the story of a man who "walks into the dentist's office, grabs the dentist's groin and says, 'Now, let's not hurt each other'."

Gerard described Bloom as perfect for the task. "Solving the problems of the auto industry is a monumental challenge but Ron has tremendous ability," he said in a statement. "Ron is very passionate about his belief that manufacturing is essential to a healthy economy."

Bloom joined the staff of the United Steelworkers union in 1996, when he was hired by former president George Becker. He served as lead negotiator in a number of highly contentious labor battles involving the former Wheeling-Pittsburgh Steel Corp., Algoma Steel Inc. and other steelmakers. Union colleagues give him credit for saving thousands of jobs in the steel, aluminum, rubber, paper and other industries.

"Ron is innovative, hardworking and one of the smartest people I know," Gerard said.

MARTYN CHASE



A very "special" special assistant. "Ron is innovative, hardworking and one of the smartest people I know," United Steelworkers union president Leo Gerard says of the skill set Bloom brings President Obama's auto task force.