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On the Road Again



Passage of the \$286.4-billion federal surface transportation legislation carried with it \$4 billion in funding earmarked for steel-intensive freight and goods movement infrastructure. Unfortunately, it does nothing to address an increasingly severe shortage of drivers or uncompetitive truck weight limits.

The extra mile: Supply agent helps Nucor weather storms

Tales of unusual supply chain performances during this year's disastrous hurricane season continue to surface. Nucor Corp. was at the center of two of them in struggling to find energy supplies during September.

The Charlotte, N.C.-based steelmaker, which has long maintained a natural gas supply agent relationship with Mobius Risk Group LLC, Houston, found itself unable to secure diesel fuel for its Decatur, Ala., plant after Hurricane Katrina blasted through the area, and asked Mobius if it could find diesel supplies to keep the plant running.

If Nucor had been unable to get diesel for raw materials transportation quickly, the plant that produces 2.4 million tons of sheet steel annually was in danger of shutting down, executives said. Despite shortages across the United States, within a few days Mobius found a supplier in Louisiana to take on Nucor as a new customer. Nucor was able to dispatch a half dozen trucks from Alabama to Louisiana to bring the diesel back to the Decatur plant.

An ongoing relationship between Mobius, which has provided enterprise energy risk management, procurement and advisory services to the commercial, industrial and petrochemical industries since 2002, played a role in the Louisiana supplier's decision. "It was an extreme event that we were happy to help them with," said Martyn Harsley, Mobius' vice president of client relations. "A number of our clients were impacted by the curtailment situation because of the reduced supply of all energy commodities coming from the Gulf. We were able to find alternatives for them."

Two weeks later, when Hurricane Rita roiled the Gulf of Mexico, gas supplies were restricted to Nucor's plants in Berkeley and Darlington, S.C., which produce a combined 4 million tons of steel a year. Nucor's South Carolina utility issued an operational alert and began to curtail clients in certain service categories that included the Nucor plants. But after working with the utility and launching a search for supplies, Mobius was able to secure alternative gas supplies throughout the curtailment period, which enabled the plants to maintain production.

Pittsburgh-based L.B. Foster Co. has won a series of contracts for its construction products unit to provide piling to contractors for use on levee restoration projects in New Orleans. The contracts, valued at about \$3 million, call for the use of PZC 13 and PZC 18 sheet piling sections from inventory at regional stocking locations and mill production by Chaparral Steel Co., Midlothian, Texas.

Chaparral, a strategic partner with L.B. Foster, manufactures the PZC series of steel sheet piling wider, lighter and stronger than typical PZ piling. Executives claim this increases savings by decreasing material weight and accelerating speed of installation. The new PZC sheet piling is manufactured with ball-and-socket interlocks. "We have taken steps to ensure that we have ample inventory and mill rolling space available to meet the needs of repair efforts in the Gulf region," Ernie Koehler, a member of L.B. Foster's Gulf Coast emergency team, said.

To help Gulf Coast industrial plants resume production following hurricanes Katrina and Rita, Kop-Flex, a business unit of Emerson Electric Co.'s Ithaca, N.Y.-based power transmission operations, is offering customers off-the-shelf stock Kop-Flex, Browning and Morse brand couplings at a 20-percent discount to established prices. A 10-percent discount also is being offered for engineered couplings and a 25-percent discount is offered for dual flexible element elastomer couplings for motor-to-pump applications. Kop-Flex also is making available a sales engineer or plant engineer in the selection, design and supervision of installation, if requested, at no charge.

Couplings purchased for the disaster recovery effort, if so identified, will be expedited through the Kop-Flex operations and warehouse for immediate shipment, and charges for special handling or expedited delivery will be waived. "Many of the process industries in the Gulf Coast region, like petrochemical plants, oil refineries, food and beverage or packing plants, have been severely impacted by the hurricanes," said Parthiv Amin, Kop-Flex's vice president of marketing. "Thus far, we have had six customers take us up on this offer." The Kop-Flex hurricane recovery offer is valid through March 5, 2006.

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