

Leo W. Gerard  
International President

August 3, 2006

Joint Steel Caucus  
United States Congress  
Washington, D.C.

Congressional Hispanic Caucus  
United States Congress  
Washington, D.C.

Dear Senator/Representative:

I am writing to inform you of a shocking and tragic episode in Gerdau's ongoing assault on unionized workers at the company's North American subsidiary. The company recently sank to a despicable new low: exploiting the most vulnerable workers, undocumented immigrants, in an effort to undermine the bargaining strength of the USW.

The troubling sequence of events took place at a tiny steel fabricating facility in Kansas City, Missouri, where workers are organized into USW Local 13-21. On June 12, Gerdau officially took ownership of this and several other facilities that were formerly owned by Sheffield Steel. Two weeks later, federal agents from the U.S. Immigration and Naturalization Service (INS) raided the workplace, saying that they were acting on an anonymous tip that some of the workers were not U.S. citizens. The INS had also mysteriously obtained names and addresses of the workers in Kansas City. Most of the members of Local 13-21 are Latinos and many of them speak Spanish only.

Most of the undocumented workers anticipated the raid. They avoided capture and deportation, but they have lost their jobs at Gerdau, and they have been forced to uproot their families and rebuild their lives. Back at the shop, Gerdau now has a free hand to hire new, hand-picked workers who might vote to decertify the local union.

Sadly this is nothing new. Gerdau has consistently shown its willingness to use aggressive tactics to divide workers in North America. For six months in 2005, the company locked out 270 members of USW Local 8586 in a failed attempt to force contract concessions on the workers in Beaumont, Texas. In March 2006, after acquiring the assets of Callaway Building Products (another fabricating shop) in Tennessee, Gerdau withdrew recognition from Shopmens' Local 733, and all of the members of the union were fired.

Brazil is one of the top 10 countries in the world where transnational companies are based. The Gerdau Group prides itself at home as a responsible company that respects its workers and provides decent wages and benefits. Why does the company behave differently in the United States?

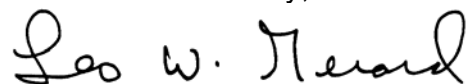
Seven Gerdau labor agreements have now expired in the U.S. and workers continue on the job, working without contracts. Gerdau's North American management is headquartered in Tampa, Florida. They have hired negotiators who have a long established reputation for fighting unions with the goal to abolish them. Is the Tampa group a renegade management operating outside of the guidelines established by the company president and CEO Jorge Gerdau Johannpeter?

It is clear that Tampa is not interested in good faith bargaining with unions to reach fair and equitable contracts. Instead, the company looks for a means to attack and, if possible, destroy unions wherever they exist. If that means driving a worker and his or her spouse and children to flee their home in fear, so be it. That is the Gerdau way in the United States.

My letter to you is one of major concern. If Gerdau's North American management's shameful tactics have the blessing of Jorge Gerdau, we must make him understand that Labor Laws of the United States provide workers an opportunity for a voice on the job, and to deny that is a violation of human rights and U.S Labor Law.

If Gerdau's North American management is acting without approval of Jorge Gerdau, he must step in and stop the merciless attacks on his employees. It is Jorge's company. He must be held accountable. I ask that you do whatever is in your power to assist us in this matter.

Sincerely,

A handwritten signature in black ink that reads "Leo W. Gerard". The signature is written in a cursive, flowing style.

Leo W. Gerard  
International President

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