

Steelworkers Leaders from Canada, Brazil, Chile Condemn Gerdau Attacks on Workers Standards, Protections

For Immediate Release

June 3, 2005

Trade union leaders from Canada, Brazil, and Chile, representing steelworkers employed at Gerdau (NYSE:GNA, GNA:TO) steelmaking operations in all three countries, met to discuss common concerns, issues and strategies on June 2 at the United Steelworkers Hall in Oshawa. The following statement was issued.

June 2, 2005

Gerdau Ameristeel's anti-union agenda: Joint Union Statement of Solidarity

The United Steelworkers in Canada, USW Locals 5442 (Selkirk Manitoba), 6571 (Whitby Ontario), and 8918 (Cambridge Ontario), together with Constramet (Confederation of Chilean Metalworkers, representing Gerdau employees in Chile) and the CNM-CUT (National Confederation of Metalworkers representing Gerdau employees in Brazil) are united in our opposition to Gerdau's anti-union philosophy and Gerdau's attacks on workers' living standards and protections.

Gerdau's lack of interest in building a healthy, constructive relationship with its employees and their unions, has been evident for many years. Recent actions by Gerdau in Beaumont Texas and in Colombia confirm that Gerdau continues to try to implement an anti-union agenda.

Gerdau's lock-out of employees at Beaumont, Texas is a cynical management attempt to force members of USW Local 8586 into a concessionary, sub-standard collective agreement. Management's "best & final offer" strips overtime protection from employees, reduces vacations and cuts vacation pay, gives management new rights to unilaterally combine, change or eliminate jobs, imposes a new job classification system, allows supervisors to do bargaining unit work with no penalty, reduces group insurance benefits, and introduces a kind of two tiered wage system.

Management's offer is an affront to dedicated and hard working Texas Steelworkers and their families, and it is an attack on all of our members employed at Gerdau - those in Texas and around the world. It is an unnecessary attack on all our Unions.

We will support USW Local 8586 in their fight to obtain a non-concessionary collective agreement that reflects the needs of employees, their families and communities.

We call on Gerdau to immediately end its unfair lockout of USW Local 8586, put the membership back to work, and negotiate a fair agreement.

In Colombia Gerdau has recently reached agreement to acquire steelmaking and service facilities in Tuta, Cali, Boyaca, Muna, and Bogota. Any attempt by Gerdau to implement its anti-union philosophy in the Colombian facilities is misguided and unacceptable. In a country wracked by violence, and in particular anti-union violence, Gerdau's failure to take immediate and decisive action to protect trade union leaders is simply inexcusable. Various trade union leaders have had death threats for their union activity. At least one trade union leader has been forced into exile.

The CNM-CUT has requested that Gerdau take a strong position on protecting workers and providing monetary support for those in exile. We strongly support that request. Together we call upon Gerdau Ameristeel, and its parent company Gerdau, to honour the following basic principles:

- ◆ Treat all workers employed in Gerdau operations around the world, and their unions, with dignity and respect. For example, affirm and implement the right of workers to union shop steward representation inside the workplace.
- ◆ Protect trade union leaders from anti-union violence.
- ◆ Engage with unions in good faith in collective bargaining processes which lead to collective agreements which reflect the needs and aspirations of employees, and recognize the true value employees contribute to Gerdau's operations.

United we stand.

Fernando Lopes – Secretary General, CNM-CUT (Brazil)
Miguel Soto – President, Constramet (Chile)
Ken Neumann – National Director for Canada, United Steelworkers
Wayne Fraser – Director District 6, United Steelworkers
Steve Hunt – Director District 3, United Steelworkers
Tony Sproule – President USW Local 5442
Denis Kavanagh – President USW Local 6571
Mike Mesich – President USW Local 8918

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Contacts: Ken Neumann - (416) 487-1571 or (416) 802-0607
Wayne Fraser - (416) 243-8792 or (416) 577-4045
Steve Hunt - (604) 683-1117 or (604) 816-2554
John Duray - (412) 562-2592