

RG STEEL MAKES MASSIVE JOB CUTS, IDLES PLANTS



RG STEEL, LLC

RG Steel is probably a name that you have not heard much about in your life, unless you happen to work in the steel or heavy manufacturing industries that is. For the rest of us here is a look at how RG Steel [describes itself](#), “RG Steel, LLC, founded in March 2011, is the fourth largest flat-rolled steel company in the United States. We offer one of the broadest ranges of flat-rolled products available in North America today. Our three steel plants and our corrugating company are strategically located close to their principal markets. RG Steel’s offerings include hot rolled, cold rolled, hot-dip galvanized, galvanized culvert sheets, Galvalume and tin mill products. Markets served include construction, appliance, converter, service center, automotive, container, pipe and tube, and others.” For a company that has not been around that long they seem to have gotten themselves into a lot of trouble. The company is facing a full blow liquidity crisis, as the companies lenders have cut off all of their funding. This move is forcing the company into suspending, or shutting down a high number of operations as the company looks for buyers for its assets. Basically this is the beginning of the end for this company. The layoffs mean the loss of at least 1,000 jobs at a single facility, which is enough to qualify as a mass layoff action. For those of you who are not familiar with the idea of a mass layoff action here is a look at how the federal government [defines](#) the term, “...mass layoff numbers are from establishments which have at least 50 initial claims for unemployment insurance (UI) filed against them during a 5-week period. Extended mass layoff numbers (issued quarterly) are from a subset of such establishments—where private sector nonfarm employers indicate that 50 or more workers were separated from their jobs for at least 31 days.” The mass layoffs have their own special rules, which will be by the workers some time before they are out of a job, though in the current economy the workers are unlikely to be able to find new work en masse before the cuts are made to the payroll and the workers go onto unemployment. For the time being analysts are saying that the company’s biggest problem is the lack of the ownership of any mines. This leaves the company competing with buys around the world for the raw components, which have been at a premium price for some time. RG Steel is owned by The Renco Group, which describes itself in the [following terms](#), “We are a family owned, private holding company that makes long term investments in companies across a range of industries where we see value and growth. We provide a permanent home for our family of companies; building value over time by retaining earnings and reinvesting in each business. Our long-term commitment through various business environments has provided our companies with the stability and support necessary for our management teams to maximize the inherent value of their companies... Currently with revenue in excess of \$5 billion, employing over 20,000 around the world, we have long term interests in leading companies in the mining, mineral recovery, steel and other metals production / fabrication, defense, and automotive supply industries.”

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