

## **Steelcare Expands**

New \$7m plant to be built in Alabama

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Hamilton's Steelcare will build a \$7-million US plant in Alabama despite an economic downturn that has led many firms to postpone expansion plans.

Construction on the 80,000-square-foot steel handling plant will begin in the first few months of 2009.

Its first customer will be the southern offshoot of another Hamilton firm -- rail-car maker National Steel Car.

"I'm not going to say we're immune to cutbacks in the industry, but we're still forging ahead with the projects that make sense," said Demetrius Tsafaridis, president of Steelcare.

"It'll allow us to follow where some of the flow is going. A lot of our customer base is moving to the Deep South because of all the advantages going on down there."

The new plant will be located in the northwest corner of Alabama, in an area known as the Shoals. It will include some of the same automated features as Steelcare's Plant 19, the innovative, environmentally conscious steel warehouse on Hamilton's Pier 25.

Perched on the Tennessee River, the new plant will accept and distribute steel by rail, truck and barge and will be just 6.4 kilometres from National Steel Car's \$350-million operation, named National Alabama.

Tsafaridis already provides rail-car repairs and other services for the Hamilton firm.

"We've worked together for quite awhile and its been a great relationship," said Peter Earle, spokesperson for National Steel Car. "This made sense for both of us."

Alabama has aggressively pursued and won several industrial projects over the past few years, including a \$3.7-billion US steel plant to be constructed by German steelmaker ThyssenKrupp. It is a "right-to-work" state, which means workers are not required to join a union.

The owners of National Steel Car received up to \$140 million in tax breaks and financial assistance for its Alabama plant, which will employ up to 1,800 people.

Designed to run with just 10 to 15 workers, Tsafaridis says his operation wasn't large enough to win such incentives.

He plans to extend his customer base to include nearby automakers.

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