

# Steel being made again at old Atlas site

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WELLAND — After two years in mothballs, the former Atlas plant is again producing steel .

Tim Clutterbuck, president of the newly-formed ASW Steel Inc., said the old melt shop was fired up last weekend for the first time since former owner MMFX ceased operations in the spring of 2009.

"We actually melted only one heat of steel, but we're putting the equipment through its paces slowly and felt we're coming along pretty well," Clutterbuck said, referring to one production cycle of steel.

He said the equipment is slowly being fired up for trial runs to ensure it's functioning properly.

"The approach I'm taking to the business here is to go through a controlled recommissioning of the equipment," he said.

The equipment was well preserved and maintained since MMFX closed down, thanks to property owners Fourth Third LLC, which retained a staff of about 30 people at the plant to prevent the equipment from deteriorating.

"The people who own it have been gracious enough to pay benefits and maintain a list of employees here that can keep it from falling apart. They've done a good job. ... All and all, the equipment seems to be in pretty good shape," Clutterbuck said.

But he isn't taking any chances with it.

"Starting up is always a challenge," said Clutterbuck, who ran Atlas Specialty Steels in the 1990s. "From what I can see to gain some market awareness and some confidence from people that I suggest we sell to, we need to make some steel. We're putting the equipment through its paces just to establish that, yes, it'll operate and it can make a quality product, and here's something that the market should see and garner some interest to take it to the next step."

For now, he said the company plans to make steel on weekends, and adjust the equipment during the weeks ahead until it is once again operating at peak performance. Clutterbuck said this phase of restarting the plant could take several months.

But in the meantime, the steel is being produced and sold, he said

"During that couple of months we anticipate selling some of that product to two or three customers who are in the need for such a thing."

It took about nine months of work to get to this point.

Last summer, Fourth Third LLC — a consortium comprising two U.S. finance companies that held the \$55 million debt used by the now-defunct MMFX to start production in Welland — brought Clutterbuck on board to put together a business plan and get the plant operational again.

Clutterbuck said he plans to start by producing and selling steel billet in a variety of sizes, and selling it as a raw material for other manufacturing companies to produce steel products.

He hopes to expanding from there.

"The way I see the business coming back to life is by doing the things it has the capability of doing and then growing it across a wider range of products which includes other grades, high-alloy grades. ... I would like to graduate a little bit at a time from basic steels like carbon steels to high-alloy steels and eventually back to stainless," he said. "It's a slow growing process where you take a step and you evaluate. It's not an overnight thing."

He said once production begins full time, he anticipates needing a total of 50 or 60 workers. If a second shift is added, about 100 people will be working there.

"I'd like to shoot for the stars and land on the moon sort of thing, but I think there's a real opportunity for the 50 to 60 people in the coming months. It's a business that if we do the right thing, I believe anyway, that we can have the type of success it had in certain periods of its history when it was focused on the right thing."

Mayor Barry Sharpe said "when it comes to specialty steel production, there are no better people than the people who worked at Atlas."

And if those people are making steel at that plant once again, under the leadership of Clutterbuck, Sharpe said he's confident that it will once again be a "major success" in the city.

"I have absolute confidence and faith in Tim Clutterbuck's abilities and the steel market is at the right place right now. Steel prices have recovered substantially from what happened during the recession in 2008 and 2009," he said.

Sharpe said despite emerging industries setting up shop in the city, Welland is a "steel town" at its heart.

"And what's hopefully going to happen at ASW is important in terms of jobs, but it's also a symbol of being well along the comeback trail here in the city of Welland."

Welland economic development officer Dan Degazio said he is confident in the prospects for the new company, especially because Clutterbuck is at its helm.

"I'm hoping and cautiously optimistic that something's going to happen. I'm confident with Tim being there that it'll work in the best interests of the city," Degazio said.