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Bethlehem Seeks to End Retiree Benefits

By THE ASSOCIATED PRESS

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PHILADELPHIA (AP) -- [Bethlehem Steel](#) announced Friday that it would seek elimination of health and life insurance benefits for about 95,000 retired workers and their dependents, telling the bankruptcy court overseeing its reorganization that it can no longer afford it.

The request was immediately condemned as "morally callous" by the United Steelworkers of America, which said it would oppose terminating the benefits.

The company, which filed for Chapter 11 bankruptcy protection in October 2001, proposes ending the benefits on March 31.

It said it is negotiating with several health-care insurers to seek proposals for substitute group insurance programs that the retirees would have to pay for on their own.

"Bethlehem has been very clear that we do not have a business plan that would allow us to continue the coverage we have been providing -- or any coverage at all," said company spokeswoman Bette Kovach.

Bethlehem Steel seeks to end the program as part of its move to accept a purchase offer by Cleveland-based International Steel Group. The ISG board has approved the deal, and the Bethlehem Steel board has scheduled a Saturday conference call meeting to vote on the proposal.

The buyout proposal would then go to the Bankruptcy Court for approval.

Bethlehem Steel faces a benefits bind because of its long history and once-vast work force -- about 300,000 at its peak. That means health care plans and their dependents now number 95,000, the company said, compared with fewer than 12,000 remaining active employees.

The company has said since filing for bankruptcy that it wouldn't be able to continue those benefits.

“We have obviously been trying to prevent this for some time and they have decided to go ahead and do it,” United Steelworkers spokesman Marco Trbovich said.

“For a bankrupt company that is doling out millions in golden parachutes to top executives to say that it must cut off the health care benefits of people who worked a lifetime in the mills is a disgrace,” Leo Gerard, president of the Steelworkers, said in a statement.

On the Net:

Bethlehem Steel: <http://www.bethsteel.com>