

Gibraltar Industries' steel is turning into cash

Area plant processes metal for Canada's mint

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Robert Kirkham/Buffalo News Dennis G. Speiser, right, sales representative at Gibraltar Industries, holds a variety of Canadian coins that are made from metal rolls that are processed at the firm's Military Road plant. On the left is plant manager Donald S. Maglich.

Gibraltar Industries is making money in Canada - almost.

The Hamburg-based steel processor and metal products manufacturer prepares the steel at its Kenmore plant that the Royal Canadian Mint uses to make most of its coins valued at less than a dollar.

Gibraltar takes in rolls of unprocessed steel from the mint's Canadian supplier and processes it to produce the narrower strips of steel that are nearly the exact thickness, weight and hardness that the mint wants for its coins.

The processed steel then is shipped to the mint in Winnipeg, Manitoba, where it is punched into its circular shape and pressed into the familiar designs that adorn Canadian change.

"We have truckloads of steel leaving here three days a week," bound for the mint, said Donald S. Maglich, the manager of Gibraltar's Military Road plant that processes the steel that eventually will turn into money.

Gibraltar started supplying steel to the Canadian mint three years ago, following the bankruptcy of another steel processor in Hamilton, Ont., that had been doing the work. Stelco, the Hamilton-based steel producer that supplies the raw steel for the mint, recommended that Gibraltar step in.

As a result, most of the steel that the Canadian mint uses in its pennies, nickels, dimes, quarters and half-dollar coins is processed at Gibraltar's metals plant in Kenmore, which employs about 130 workers. That amounted to about 4,000 tons of steel last year - enough to produce more than 1.1 billion coins in varying denominations, with pennies accounting for the bulk of the production, Gibraltar officials said.

But Gibraltar officials hope the foray into the currency market leads to even more international business. Gibraltar already has won contracts to process steel that will be used in coins that the Canadian mint will make for Ethiopia, Venezuela and Papua New Guinea, said Deborah J. Ruzbacki, the company's customer service manager.

"For developing countries, this is an absolutely cost-effective way of developing a currency," said Maglich, who hopes to double Gibraltar's currency-related shipments this year.

Making money is a very precise business, requiring Gibraltar to process the steel so the mint can produce coins that are the same size and weight so that coin-operated vending machines and other equipment that use coins are not stymied by variations in the currency's dimensions.

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In Gibraltar's case, the steel that is used in the Canadian coins is made to specifications that the thickness of each sheet of metal varies by less than the width of a human hair, said Dennis G. Speiser, a company sales representative.

"There's a range where these will work in vending machines," he said. "Once you're outside that range, you're done."

At the Kenmore plant, Gibraltar takes in steel in rolls that are about four feet wide. The steel then is split into strips that are each two-feet wide and run through a rolling mill, where the steel is pressed under intense pressure. That process reduces the width of the strip of steel by as much as 40 percent to 60 percent and leaves it at the precise width required for each type of coin, Maglich said.

The rolling process also hardens the steel so that the Mint will be able to punch out the coins' circular shapes and then stamped with each coin's design. "The steel has to be hard when it gets there, so they can stamp it" without the coin puckering or bending, Maglich said.

Lucie Moisei, the purchasing director for the Royal Canadian Mint, said Gibraltar was a "sound choice" as its processed steel supplier. The mint will present the company with a "best in class" award tonight at a supplier appreciation event in Ottawa.

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