

## SCRAP METAL EMPIRE



Staff photo by JOHN SUCHOCKI

William F. Sullivan, left, founder and CEO, and his son, William F. Sullivan Jr., president, stand in one of the steel warehouses of William F. Sullivan Co. on Jackson Street in Holyoke. The firm is celebrating its 50th year in business.

## Banking on

# HEAVY METAL

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When William F. Sullivan Sr. goes in to his Holyoke office in the morning, the first thing he does is check the overnight metals markets.

"You see what London's doing first," he said.

The prices on the spot market will determine how much his company, William F. Sullivan Co., will pay for metal and for how much it will sell.

The 75-year-old Sullivan lives and breathes the scrap and new metal business that he and his brother built. "I think it's an amazing business," he said.

The company buys scrap metal from factories and individuals and sells it at a profit to mills that melt it down to make new steel and other metals.

The company has grown even as Holyoke's industrial base continues to shrink. The firm has been riding the highs and lows of the spot metal markets, which have been extremely volatile in recent years.

Sullivan expects to do \$12 million in business this year.

The scrap yard in Holyoke's flats section is teeming with towers of rusting iron, bales of used aluminum and boxes of copper pipes.

The company was formed in 1946, when Sullivan and his brother George E. Sullivan went into the waste paper business. They started with \$475 and some land on Berkshire Street purchased through a fortuitous bank loan from a local bank.

Their father used to gather and re-sell rags and paper with a team of horses and cart.

George E. Sullivan ran the business when William Sullivan went into the military in 1950.

Upon his return in 1952, the brothers' business changed. Affected by his military experience, William Sullivan saw that metal was a business that would grow.

The pair began collecting scrap metal from the many industrial businesses that were growing in Holyoke and surrounding towns. The old paper-making industry was still going, but had begun a period of decline.

"We didn't have any equipment, so we used to do everything by hand," William Sullivan remembers.

The brothers used shovels to move the fine scraps of metal from machine shops in and around the city.

One of the company's first large customers was the then-new General Electric plant in Holyoke. The company contacted the Sullivan brothers to handle a clean-up project, when the two noticed how much metal scrap the company had in its facility.

A manager there offered the let the two have the scrap metal on a regular basis.

"That's what really got us started in the metal business," William Sullivan said.

The relationship with General Electric persisted until recent times, as Sullivan Steel handled the scrap removal at a closed Pittsfield plant during the 1990s. Sullivan built a car wash to clean large iron and steel beams for a project that lasted almost a decade.

Back in the 1950s and 60s, the Sullivan brothers sold their scrap to the many area foundries that were making forged steel items. Other industrial customers, like Chapman Valve in Springfield, used scrap

from the Sullivans to forge their products.

Much of the scrap steel in those days moved by rail, and Sullivan Steel began acquiring railroad cars for such shipments.

The city of Holyoke use to bustle with rail traffic, and had its own railroad agent to help coordinate shipments, William Sullivan recalled.

Today, the company leases 20 cars to move scrap from suppliers to their yard and from there to customers. The scrap metal yard is on a railroad siding and has its own scale for weighing cars.

The company also operates a fleet of trucks that collect scrap metal from all over Western Massachusetts.

Most of the loading and moving of scrap around the company yard on Appleton Street is done using magnetized heavy equipment today. Cranes and backhoes move scrap in categories based on the metal content.

Metal is divided broadly into ferrous - iron and steel - and non-ferrous - copper, nickel, stainless steel and other metals.

The sorting of metal by type and grade is a key part of the scrap operators' business.

In the early days, scrap collectors used a grindstone to divine the content of unknown metals. The color of the sparks was supposed to give a clue as

to the metal's origin, but the process was unreliable at best, William Sullivan said.

This week, the company is taking delivery of a \$35,000 metal analyzer that can tell immediately what the exact content of a piece of metal is.

Recently, the company took in some non-magnetic industrial rings that appeared to be made of stainless steel, probably worth 30 cents a pound. However, the analyzer showed it was an unusual nickel alloy that brings \$1.10 per pound from buyers.

"It's a very sophisticated business now," said William Sullivan, who is the company's chief executive officer.

The company moved to Appleton Street in 1972, and set up a steel distributor business at a separate location around that time. That business, which sells steel to construction companies and others, remains a part of the business.

Sullivan's son, William F. Sullivan Jr., has headed that business, but now owns the company and serves as president.

William Sullivan Sr. bought out his brother George's interest in the 1990s. George Sullivan, a school committee member in Holyoke, died in 1998.

But the firm retains a family feel, with Karen Sullivan Johnson serving as controller and Brian Powell Jr., a grandson of William Sullivan Sr., serving as account manager.

Powell said the company is trying to be a good neighbor in the city where it has always made its home.

"We're committed to the city of Holyoke and the growth of Holyoke."

Scrap steel prices have been rising sharply in recent months, with record high prices reached in April. That raises the amount Sullivan can sell steel for, but also raises what people want for their scrap.

"When prices are high, it's remarkable how efficient the recycling system is. There's scrap coming in from everywhere," said the younger Sullivan.

His father still comes to work almost every day, and keeps a close eye on the metals markets and sales. "One of the things I know is I know this business," he said.



Staff photo by JOHN SUCHOCKI

Brian W. Powell Jr., accounts manager of William F. Sullivan Co., and Karen Sullivan Johnson, controller, pose in the company's scrap steel yard at 107 Appleton St., Holyoke. Powell is grandson of the founder, and Johnson his daughter.