Attachment B

BAYOU STEEL CORPORATION

INTEROFFICE MEMORANDUM

TO: Bayou Steel Employees

DATE: October 31, 2006
File No. F-7313

FROM: Rich Gonzalez

SUBJECT: **Whistle-Blowing Procedure**

The Audit Committee of Bayou Steel's Board of Directors bears the responsibility for establishing whistle-blowing procedures, including procedures for "confidential, anonymous submission(s)" of concerns from employees and others regarding any accounting or financial reporting related issues, including, among many items, potential theft, fraud, misstatement of financial data.

Bayou Steel currently maintains an anonymous telephone hotline maintained by a third party. This line has been used in the past primarily for environmental issues; however, it was the intention to use this anonymous communication to report any potential wrongdoing. The Audit Committee of Bayou's Board has chosen to use this same line to fulfill its responsibilities. If you know or suspect any potential financial wrongdoings, please call 1-800-272-9990. After describing the issue you can either leave your name or hang-up without identifying yourself. Your message, if concerning potential financial wrongdoings, will be forwarded to the Audit Committee for review and possible action.

You should also know that the Sarbanes-Oxley Act passed by Congress and signed by the President provides whistleblower protection by making it unlawful for employers to discharge, harass, or otherwise discriminate against employees who provide evidence of fraud.

We encourage you to use this procedure if you should have any concerns about any potential financial irregularities.

RJG/db

cc: Audit Committee of the
Board of Directors