

Final length of conveyor has been connected to Plateau Mining Co.'s new unit-train loading facility at Wattis, Carbon County. But construction is expected to continue through August.

# Plateau Mining Alive and Well in Bleak Coal Market

By Joe Rolando  
Tribune Staff Writer

WATTIS, Carbon County — To even the most casual observer, Plateau Mining Co. appears to be a survivor of the nation's depressed coal market.

The conveyor for a new \$16.5 million, unit-train coal-loading operation which snakes through the company's property, about 20 miles south of Price, is just too massive to not see. The project, still under construction, required 7,500 feet of conveyor and 13,176 feet of additional railroad track.

Just as conspicuous is a road sign at the entrance to the company's property which boldly proclaims: "Through this gate pass the best damn coal miners in the world."

Plateau Mining's John Spiecha, vice president and general manager, backs up that claim by referring to other signs on the company's property. They note that as of December 20, the company's underground miners have not had a lost-time injury in more than 100 days and its surface employees for nearly 800 days.

Mr. Spiecha added that the average age of Plateau Mining's 233-member, non-union work force is 37 and its average employment experience at the company is 5.2 years. He said that indicates the employees have "significant mining experience" because they are old enough to have worked for other mining operations before coming to Plateau Mining.

The work force's turnover rate is 1.09 percent a month and its absenteeism rate, which includes time off for accidents, is 4.16 percent so far this year.

"Fifty percent of our wage and salaries are tied to benefits; and therein lies part of the answer. You treat your people well and they'll treat you well," said Mr. Spiecha. "Our other secret is the stability of our work force."

For example, he said Plateau Mining's first and only layoff since 1967 occurred in 1983 and involved 81 miners. The layoff came when the depressed coal market and a mud slide

at Thistle, which temporarily halted rail and vehicle traffic to the Wasatch Front, left Plateau Mining with a stockpile of 806,000 tons of coal.

Mr. Spiecha said Plateau Mining — whose stockpile has since dwindled to about 140,000 tons — has called back to work all but two of the miners. And, he said the two miners will be called back in 1986.

"Some people may say these are just nice things we're trying to say about our people," said Mr. Spiecha. "But they are the best damn miners. And when you've got that kind of people, you can make that statement."

Mr. Spiecha, 51, was appointed to the top position of Plateau Mining Aug. 30 when Cyprus Minerals Co., based in Englewood, Colo. purchased the property from Texaco Inc.

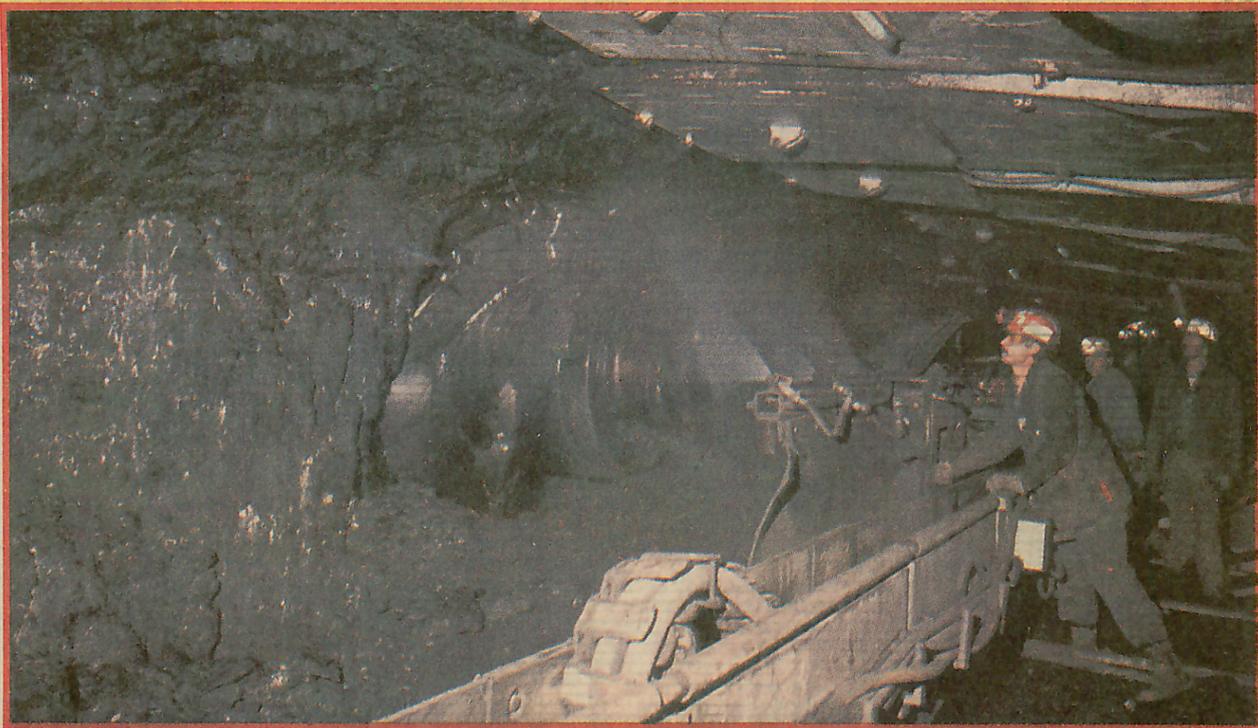
Cyprus became an independent company July 1 when it was spun off by Amoco Corp.

During the third quarter, Cyprus earned \$15,452,000 on revenues of \$186,754,000, compared with a loss of \$31,027,000 on revenues of \$157,429,000 the same time last year. Cyprus's coal division's operating profit totaled \$28.7 million, up from \$17.1 million the same time last year.

Getty Mining Co., a subsidiary of Getty Oil Co., previously owned Plateau. But in February 1984 Texaco purchased Getty for \$10.1 billion in the second-largest merger in U.S. history. Texaco subsequently decided to sell Getty's coal-mining properties.

Before his latest appointment, Mr. Spiecha, who holds degrees in mining and mechanical engineering, was manager of engineering for Getty Mining's coal department headquarters in Salt Lake City. He went to work for Cyprus when Texaco sold that company the mining properties it acquired from Getty.

Infusion of capital and employee dedication aside, Plateau Mining also is distinguished in that it is one of the largest suppliers of coal in the western United States to Pacific Rim countries. That's no little feat considering Pacific Rim countries in recent years have found coal from countries



Miners in 6th left section of Plateau Mining's Starpoint 2 mine monitor longwall as it cuts coal from face. Longwall is the most productive method of coal mining in Carbon and Emery counties. Plateau's longwall cost \$9 million.

other than the United States, such as Australia, less expensive and, therefore, more desirable.

In 1985, Plateau Mining will ship 435,000 of the 1.444 million tons of coal it will produce to utilities and cement companies in Japan and Taiwan. All of Plateau's coal production is undertaken in the Starpoint No. 2 mine because the company's Starpoint No. 1 mine has been mined out and reclaimed.

Plateau has two other contracts with Nevada Power Co. for 400,000 and 250,000 tons of coal a year. It also

is filling a short-term contract for Utah Power & Light Co. that will amount to about 370,000 tons at year-end for the utility's Hunter Power Plant in Emery County.

UP&L awarded short-term contracts to Utah mines in February to make up for the coal lost by the Wilberg Mine after a fire Dec. 19, 1984.

Mr. Spiecha said Plateau Mining is preparing to begin providing coal under a 22-year contract to the Intermountain Power Project plant near Delta. The contract requires Plateau Mining to provide 200,000 tons of coal

a year beginning in 1987, an amount that will increase by 1989 to anywhere between 360,000 and 440,000 tons, depending on on IPP's needs.

To better meet current and future coal contracts, Plateau Mining in April 1983 purchased a longwall, a large state-of-the-art coal cutting machine, for about \$9 million. The longwall produces more coal each shift than any other used in Carbon and Emery counties.

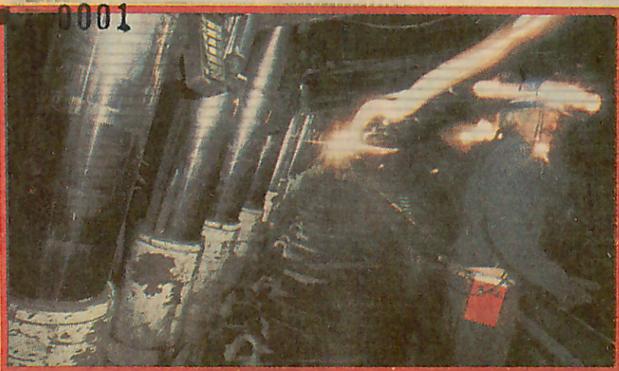
Primary contractor for Plateau Mining's longwall was Westalia, a Luenen, West Germany company.

Westalia provided training and start-up assistance and much of the longwall equipment either itself or through other companies.

At the first of December, Plateau Mining's longwall was about 3½ miles underground in the section of the mine called 6th left. The machine engages two large rotating shears that cut coal as they travel back and forth across a 500-foot face.

Each time the shears moves across the face and back again is known as a "pass," during which about 510 tons of

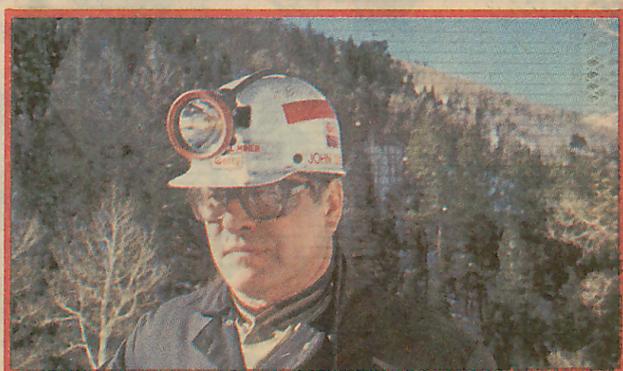
See F-5, Column 1



While longwall is operating, miners are protected by standing below shields and in front of hydraulic roof support jacks.



Sign at front gates of Plateau Mining boasts about 233-member work force. Other signs display mine's safety statistics.



Heading Plateau Mining is John Spiecha, vice president and general manager. Plateau is owned by Cyprus Minerals Co.

## Boeing in '85: Sales Soar, Jet Crashes Skyrocket

By Tom Green  
United Press International

SEATTLE — It was the best of times and worst of times for the Boeing Co. in 1985 — a year of soaring sales and tragic crashes.

Never in the history of civil aviation have so many people died in plane crashes in one year — more than 2,000 fatalities in all.

The deadliest of the 1985 crashes involved a Boeing 747 that crashed into the side of a mountain in Japan under circumstances suggesting a problem with the jumbo jet's tail section.

But even as the death toll mounted, Boeing — the world's dominant manufacturer of commercial aircraft — was setting a company sales record. Against the deadly drumbeat of fatal airplane crashes, Boeing was able to trumpet the receipt of one big order after another.

But it was more than just big crashes and big sales in 1985 for Boeing. There was the acquisition of one company and a near miss on another. New company leadership emerged. And Boeing received some less than favorable attention over some of its defense-related business.

Among the events that kept Boeing in the headlines throughout the year:

— Boeing set a company record for new airplane orders, with contracts valued at \$12.44 billion. That's more than twice as much as a year ago. Included were two of the three largest orders in the company's history — a \$3.1 billion deal with United Airlines in November and a \$2 billion order from Northwest Airlines in October.

— The crashes. In the worst year in commercial aviation history, there were six major plane disasters involving Boeing aircraft, including the

crash of the Japan Air Lines 747 in August that killed 520 people. It was the most deadly air disaster in history involving a single plane.

— As one of the nation's largest defense contractors, Boeing caught some of the flak aimed at the Pentagon involving a single plane.

See F-5, Column 1

## MONEYLIST by Brendan Boyd

### MOUNTING U.S. TRADE DEFICIT WITH JAPAN

| Year | Deficit (millions) |
|------|--------------------|
| 1980 | \$ 3,849           |
| 1981 | 6,029              |
| 1982 | 6,578              |
| 1983 | 8,995              |
| 1984 | 15,448             |

SOURCE: U.S. Department of Commerce

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## Ad Revenue Doesn't Rise With Football Ratings

By William D. Murray  
United Press International

SAN FRANCISCO — The common rule that an increase in TV ratings, like those enjoyed this season by National Football League broadcasters, generally leads to added advertising revenues has been thrown for a loss this year.

The blame has been placed on a soft economy, as well as advertising dollars being siphoned away by daytime soap operas aimed at the female market.

There are no lack of explanations as executives search for a reason for the struggling ad market.

"The computer industry is pretty sick," said Jerome H. Dominus, head of sales for CBS. "They have been heavy into the NFL in past years."

"AT&T spent a great deal of money last year. This year they haven't been spending that way. General Motors

used to run ads on all three networks. This year, they chose just two of the three, leaving NBC short."

After 14 weeks of the NFL season, CBS has seen its ratings go up from a 34 share in the marketplace in 1984 to a 36 share this year. NBC has gone from 12.2 to 12.8 and ABC jumped from 29 to a 32 share in the Monday night prime time market.

However, the ad revenues for both professional and college games have not matched the audience increase.

In total, Dominus said about \$75 million in ads has been collectively withdrawn from NFL broadcasts this season by the computer industry, automakers and credit card companies.

"It could have been worse," he said. "Early in the season we had problems selling ads, but its gotten better. Now

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# Plateau Mining Co. Alive and Well Despite Bleak Coal Market

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 roof shields, rather than behind them where the caving occurs.  
 After one pass, large hydraulic jacks, which support the roof, are engaged by the miners, moving the longwall forward for the next cut of coal. The roof previously supported by the 15-ton jacks, then caves.  
 Steve Rigby, mine superintendent, said two jacks sitting next to each other on Plateau's longwall are powerful enough to support 560 tons of roof. Miners are protected because they stand in front of the jacks under

William E. Snyder, Plateau Mining's general superintendent, said in the 6th left section the longwall was cutting coal from the seam closest to the surface, known as the Wattis, whose average thickness is 9 feet.  
 The complexities involved in owning a longwall became evident when Mr. Snyder noted that Plateau Mining sent its key people to the manufacturer's headquarters in West Germany to learn how to operate and maintain the machine. Plateau Mining also sent some of its employees to Emery Mining Co.'s coal operations

in Emery County to learn how to use the longwall.  
 Mr. Spiecha said Plateau Mining's longwall, which paid for itself in less than a year, can cut in one shift 3,000 to 3,500 tons of coal. That compares to a continuous miner, the other method of mining used at Plateau Mining and at other mines in the Carbon-Emery county area, which can produce 650 tons of coal per shift.  
 Continuous mining uses a machine by that name which is operated by a miner seated at controls. The machine moves up to the seam, cuts coal, and simultaneously conveys the fuel to a shuttle car or conveyor belt for removal from the mine.

Mr. Spiecha said Plateau Mining recently completed a deal to buy 4.75 million tons of coal reserves, which are recoverable, from U.S. Fuel Co., which has an adjacent coal-mining operation based out of the townsite of Hiawatha, Carbon County. He said the coal will augment Plateau Mining's existing reserves, extending the operation of its longwall.  
 The longwall, a unit-train coal loading facility and the additional coal reserves are not the only investments Plateau Mining has made in its operation in the last four years. Mr. Spiecha said the company also has:  
 - Installed a new fan costing \$1.6

million designed to provide adequate ventilation when Plateau Mining expands its mining;  
 - Helped improve a seven-mile county road leading to its property;  
 - Installed one of the first computerized monitors of potentially dangerous mine gasses in the longwall section in the state, and  
 - Replaced about \$10 million worth of obsolete mining equipment.  
 "We don't make any secrets about it," explained Mr. Spiecha. "It's [Plateau Mining] a profitable operation. The reason Cyprus bought it was because of its high-productive work

force. It also has one of the lowest operating costs in the country."  
 Mr. Spiecha said Plateau Mining must build the unit-train coal loading facility as one of the terms of its IPP plant coal contract.  
 Floyd Tucker, special projects coordinator for Plateau, said the facility will begin operating in January, but will not be running according to design specification until August.  
 The Industrial Co. of Steamboat Springs, Colo., is general contractor. Elbert Lowdermilk Inc., Spring Glen, Carbon County, received the contract to do the necessary earth-moving work.

# Boeing's '85 Sales Soar Amid Record Jet-Crash Deaths

Continued From F-1  
 son's business partner in 1985. Specifically, Boeing was criticized for selling a pair of pliers to the Defense Department for \$749 and for charging some of its political contributions to the Pentagon.  
 - The bidding for Hughes Aircraft. After 25 years without making any acquisitions, Boeing went after a big one by joining General Motors and Ford in pursuit of Hughes. GM won the bidding by offering \$5 billion for Hughes.  
 - The de Havilland purchase. Although Boeing didn't get Hughes, it did reach agreement in November to purchase another company - de Havilland Aircraft of Canada.  
 - New models. Boeing moved to expand its product line at both the top and the bottom in 1985. The company officially launched a new derivation of its jumbo jet - the 747-400 - that will be the longest range airliner in the world. By agreeing to purchase de

Havilland, Boeing will enter the growing market for small commuter aircraft.  
 - Changes in the executive suite. Early in the year, Boeing moved to put its next generation of leadership in place by promoting Frank Shrontz, 54, to president of the corporation and naming Deah Thornton, 58, president of the company's commercial airplane division.  
 But more than just keeping Boeing's name in the headlines, the rush of events in 1985 also raised the question of whether there was some fundamental shift in the company's fortunes.  
 The fact that Boeing concluded its two biggest deals late in the year, after most of the air fatalities had already occurred, indicates that the wounds to the company from the crashes weren't deep.  
 But there are other questions: Is Boeing making any profit on all of the planes it is selling? Has the company

changed its philosophy on acquisitions? And is Boeing reorienting itself more toward defense business?  
 The conventional wisdom among Boeing officials and financial analysts is that Boeing has emerged relatively unscathed from the spate of crashes because there has never been any indication of a design flaw in any of its aircraft.  
 "Airlines look more at that than anything else," Shrontz said.  
 The facts are these. Of the 20 fatal crashes involving civil airliners in 1985, six were Boeing planes - two 727s, two 737s and two 747s. Nearly 1,100 people were killed in those six crashes.  
 Of the six Boeing plane crashes, only in the case of the JAL 747 is it believed that defects in the plane's structure were responsible.  
 Although the cause of the JAL crash is still officially under investigation, preliminary evidence suggests the problems began when a rear

bulkhead ruptured and allowed pressurized air to escape into the tail section.  
 Since the investigation began, Boeing has acknowledged making an improper repair on the bulkhead after a rough landing in 1978. Without admitting that was the cause of the crash, Boeing agreed to split compensation payments to the families of the victims with JAL.  
 And since the crash, both Boeing and the National Transportation Safety Board have recommended changes in the 747 tail section to limit damage to the tail from such a depressurization. But, unlike 1979 when the DC-10 jumbo jet was grounded for 38 days, the 747 has continued to fly.  
 "It would be naive to say that an accident like JAL had no impact

whatsoever on passengers or the investment community or customer attitudes," said Shrontz.  
 "We have not seen any specific changes in our order activity or attitudes of our customers as a result of that, but I suspect something like that is always going to have some effect. The problem is in trying to measure it."  
 The salesmen in Boeing's commercial airplane division will remember 1985 as the year of the 737-300.  
 The 20-year-old 737 twinjet is Boeing's smallest airplane. Last year, Boeing rolled out its newest derivation of the plane - the 737-300 - and it is proving the right plane for the deregulated U.S. market. Of the 349 Boeing aircraft ordered in 1985, 252 of them have been the 737-300.  
 The effect of all those 737 orders on Boeing's bottom line is not so clear.

## Use of Computers By Investors Up

NEW YORK (UPI) - The use of microcomputers for investment analysis keeps growing despite the current downturn in computer sales, a survey conducted by Computerized Investing finds.  
 The investment publication queried its 20,000 subscribers and found that roughly 55 percent of them use a spreadsheet program for investment analysis, but only 30 percent are using commercial investment software packages. Over 42 percent said they write their own programs.  
 While investors are likely candidates to use a microcomputer for obtaining market quotes, the journal noted that only 26 percent use a financial information service and only 10 percent are trading securities on line.

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