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 Wildlife Resources

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FILE
 ACT/007/007
 #13

October 2, 1984

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DIVISION OF OIL
 GAS & MINING

Mr. Steve Cox
 Utah Division of Oil, Gas and Mining
 4241 State Office Building
 Salt Lake City, UT 84114

ATTN: Mary Boucek

Dear Steve:

The Division has reviewed Kurt Jensen's June 15, 1984, report titled, "Summary of Wildlife Field Studies for the Kaiser South Lease and Kaiser B Canyon Mining Proposals". The following is offered for your consideration.

As you know, the Kaiser South Lease is viewed as being a low priority development by the company and has no tentative date for initiation of construction. Start up for construction on the B canyon lease is not scheduled for 1988 or 1989. Therefore, it is recommended that all avian studies associated with either lease be discontinued until one year prior to the initiation of construction.

At this time, we are unable to evaluate the company's study in relation to deer with the south lease. Before we can provide a recommendation, we must have opportunity to evaluate a detailed analysis directed towards sample size and whether or not variation in those samples are within acceptable limits.

Thank you for an opportunity to review and provide comment.

Sincerely,

William H. Geer, Acting Director
 DIVISION OF WILDLIFE RESOURCES

NLRB okays El Paso decertification petitions, sets election

After ruling that strikers are not eligible to vote, the National Labor Relations Board has set September 6th as the date for a vote on decertification of labor unions at the El Paso refinery of Phelps Dodge Corporation.

At a hearing in El Paso in early August, a union attorney argued that strikers had never been permanently replaced.

Milo Price of Phoenix, regional NLRB director, rejected the argument. He cited testimony that replacement workers had been advised they were being hired permanently.

"I find that the replacement employees hired by the employer after June 30, 1983 are permanent employees," Price wrote in his decision.

"It therefor follows . . . that the permanent replacement employees and other current employees working in the bargaining unit are eligible to vote in the election directed herein,

NLRB concludes . . .

was said about it when the hearing resumed — and concluded — on Tuesday, August 14th.

Principal testimony on the final day came from Arthur Kinneberg of Phoenix, senior vice president and head of Western Operations for the company.

Questioned about the Ajo situation, Kinneberg said copper prices could improve enough by the fourth quarter to warrant reopening of the openpit mine and concentrator.

He acknowledged, however, that the copper market is volatile and that earlier predictions of improvement have been wrong.

Kinneberg said copper prices would have to increase to about 75 cents a pound. "I would hope in the fourth quarter we would reach that trigger price," he said.

Kinneberg said that although copper prices still are below 60 cents per pound and have been depressed for some time, there are indications the market for copper will improve enough to reopen the mine.

Under questioning by Keenan, Kinneberg acknowledged that at the first of the year he believed copper prices would increase to about 75 cents a pound by the second quarter of 1984. Instead, prices fell into the low 60s.

Phelps Dodge has indicated the Ajo closure is only a short-term measure, but Keenan indicated he hopes to prove the shutdown will last longer than the company believes.

He said that if the shutdown is prolonged, striking workers should be allowed to vote in any election to decertify the unions because the strikers will remain in Ajo but newcomers who replaced them might leave.

However, he apparently made little progress on that score. Shortly after Kinneberg's testimony, Jorgenson concluded the hearing.

while the striking employees, having been on strike for more than 12 months and having been permanently replaced, are not eligible to vote in such election," the ruling stated.

The decision was considered a severe blow to the United Steelworkers. The union had hopes of maintaining its presence at the El Paso plant, where workers have been represented by the union for 40 years.

Although they had little public comment about the outcome, company officials were clearly elated about the outcome of the hearing. They are hopeful it was indicative of a similar finding in the Arizona hearing that was in progress at the time.

"It's a foregone conclusion," company attorney Bradley Johnson said when asked at the Phoenix hearing how the El Paso ruling would affect workers' attempts to decertify the unions at the company's Arizona operations.

Phelps Dodge Vice President John Coulter called the ruling "a positive sign." When asked to predict what will happen to the union in El Paso, he replied, "They'll be decertified."

Alex Lopez, chief negotiator for the 13 unions that have been on strike against Phelps Dodge, and Michael Keenan, the unions' attorney, indicated they were

disappointed with the ruling. But they declined further comment until they had read the decision.

Federico Esparza, president of the Steelworkers local in El Paso, said he expects replacement workers to vote for decertification. "I cannot say we are going to win it," he commented.

The union had until August 20th to appeal the decision to the NLRB in Washington. It was not known at presstime if the unions would appeal.

Price, however, said he would schedule and hold the election even if his decision was appealed. If an appeal is filed, Price said the ballots would be impounded and not tabulated until after the appeal was decided.

In another action affecting the El Paso plant, Price on August 7th decertified the Carpenters union local. He took the action after the union notified him it would not contest the decertification effort.

The ruling leaves only two unions at the El Paso refinery — the Steelworkers and the International Brotherhood of Electrical Workers.

But the electrical union local is ineffective. That union represented 15 workers at the plant, but all of them crossed picket lines after the strike began and continued working.

ACT 007/007 #13



Kaiser coal operations profitable

"We're getting back on our feet. But it will be another couple of years before we get to where we were."

So says Brett Harvey, mine manager of Kaiser Steel Corporation's Sunnyside mine in Carbon County, Utah.

Harvey says the mine has enough orders to run on a limited basis despite the depressed market, but it is "still a long way from operating at peak capacity.

The Sunnyside mine formerly was kept busy providing coal for Kaiser's steel-making operations in southern California. That went out the window when Kaiser shut down its Fontana plant.

The Sunnyside mine worked only five

months in 1983. It is only working an average of four days a week now, filling spot metallurgical and industrial use contracts, Harvey said.

Kaiser's coal operations reported earnings of \$1 million for second quarter 1984 compared to a \$3.4 million loss for the same period last year.

Harvey said most of the credit for the turnaround is probably due Kaiser's coal operations near Raton, New Mexico where the York Canyon mine has long-term contracts.

York Canyon, Harvey said, has developed other customers. It, too, formerly supplied coal to Kaiser's Fontana steel mill.

Kaiser Steel released its latest earnings report in July, showing it earned \$2.5 million in the 1984 second quarter compared to a loss of \$7.7 million for the second period of last year.

The profit for the quarter was primarily due to a \$12.9 million reduction in the provision for discontinued operations, Kaiser said.

Sales in second quarter 1984 were \$70.3 million compared to \$59 million the same time a year ago, Kaiser said.

Kaiser's fabricated steel segment reported a pre-tax loss of \$3.9 million for the 1984 second quarter.

Of Mines And Men

Price River Coal Company has opened a new \$14 million shaft at its Crandall Canyon mine north of Helper.

The shaft is 26 feet in diameter and reaches a depth of 1,450 feet, opening up three additional coal seams. A companion return shaft also was completed.

The project, which was begun in 1981, will extend the working life of the mine by at least 30 years and give access to about 60 million tons of coal.