

In the Matter of GENEVA STEEL COMPANY and UNITED STEELWORKERS  
OF AMERICA, CIO

*Case No. 20-R-1571.—Decided May 6, 1946*

*Messrs. Walter Mathesius and Robert G. Glass, of Salt Lake City, Utah, for the Company.*

*Mr. Willard Y. Morris, of Chevy Chase, Md., and Mr. Varro C. Jones, of Salt Lake City, Utah, for the CIO.*

*Mr. Irvin Cary, of Provo, Utah, and Mr. Joseph Ozanic, of Chicago, Ill., for the AFL.*

*Mr. A. C. McGraw, of Oakland, Calif., for the IAM.*

*Mr. A. L. Smith, of Denver, Colo., and Mr. L. F. Anderson, of Salt Lake City, Utah, for the IBEW.*

*Mr. Arnold Ordman, of counsel to the Board.*

DECISION

AND

DIRECTION OF ELECTION

STATEMENT OF THE CASE

Upon a petition duly filed by United Steelworkers of America, CIO, herein called the CIO, alleging that a question affecting commerce had arisen concerning the representation of employees of Geneva Steel Company, Provo, Utah, herein called the Company, the National Labor Relations Board provided for an appropriate hearing upon due notice before Merle D. Vincent, Trial Examiner. The hearing was held at Salt Lake City, Utah, on March 12 and 13, 1946. The Company, the CIO, American Federation of Labor, herein called the AFL, International Association of Machinists, District Lodge No. 114, herein called the IAM, and International Brotherhood of Electrical Workers, Local Union No. 354, affiliated with the American Federation of Labor, herein called the IBEW, appeared and participated.<sup>1</sup> All parties were afforded full opportunity to be heard, to examine and cross-examine witnesses, and to introduce evidence bearing on the issues. Motions to dismiss the petition were made by the

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<sup>1</sup> Motions to intervene made by the IAM and the IBEW, which were referred to the Board for disposition, are hereby granted.

Company, the AFL, the IAM, and the IBEW. These motions were referred to the Board and, for the reasons stated *infra*, are hereby denied. The Trial Examiner's rulings made at the hearing are free from prejudicial error and are hereby affirmed. All parties were afforded opportunity to file briefs with the Board.

Upon the entire record in the case, the Board makes the following:

### FINDINGS OF FACT

#### I. THE BUSINESS OF THE COMPANY

Geneva Steel Company, a Delaware corporation, is a wholly owned subsidiary of the United States Steel Corporation. It operates and manages certain steel producing facilities in the State of Utah, owned by the Reconstruction Finance Corporation, a successor to the Defense Plant Corporation under which the Company formerly operated.<sup>2</sup> The products of the Company at its Geneva Plant, which is the only plant involved in these proceedings, are coke, pig iron, steel ingots, and structural steel products. Most of the pig iron has been used in the production of steel and the surplus has been sold to customers principally in the States of Washington, Oregon, and California. The plate mill of the plant has an estimated capacity of 700,000 net tons, and the plant's structural mill has an estimated annual capacity of 200,000 net tons. The products of both mills have been shipped to the west coast, and the byproducts sold throughout the 11 western States.

The Company admits that it is engaged in commerce within the meaning of the National Labor Relations Act.

#### II. THE ORGANIZATIONS INVOLVED

United Steelworkers of America is a labor organization affiliated with the Congress of Industrial Organizations, admitting to membership employees of the Company.

American Federation of Labor is a labor organization, admitting to membership employees of the Company.<sup>3</sup>

International Association of Machinists, District Lodge No. 114, is a labor organization, admitting to membership employees of the Company.

International Brotherhood of Electrical Workers, Local Union No. 354, is a labor organization affiliated with the American Federation of Labor, admitting to membership employees of the Company.

<sup>2</sup> See *Matter of Geneva Steel Company*, 57 N. L. R. B. 50.

<sup>3</sup> The IBEW and the IAM contended at the hearing that the American Federation of Labor was not a labor organization, but merely an "affiliation" of labor organizations. There can be no question, however, that the AFL is a labor organization within the meaning of Section 2 (5) of the Act.

## III. THE QUESTION CONCERNING REPRESENTATION

The Company has refused to grant recognition to the CIO as the exclusive bargaining representative of certain of its employees until the CIO has been certified by the Board in an appropriate unit.

The record reveals that on November 22, 1944, following the Board's certification of the AFL as exclusive bargaining representative of the employees of the Company,<sup>4</sup> the AFL and the Company entered into a contract to continue in effect as set forth below :

*Section 18—Termination*

This agreement shall continue in effect until terminated :

a. By either party after one year from date hereof, by giving not less than 30 days written notice to the other party, or

b. By termination of the agreement between Defense Plant Corporation and the Company for the management and operation of the Geneva plant.

whichever event occurs earlier; provided, however, that in the event the Company shall continue to operate the Geneva Plant after termination of its agreement with the Defense Plant Corporation, then this Agreement shall remain in force and effect until terminated as provided in "a" above.

Although the Company is still operating the Geneva Plant, it is clear that since the anniversary date of the agreement was in November 1945, the contract is now terminable on 30 days' notice, and, consequently, is not a bar to a present determination of representatives.<sup>5</sup>

A statement of a Board agent, introduced into evidence at the hearing, indicates that the CIO represents a substantial number of employees in the unit hereinafter found appropriate.<sup>6</sup>

We find that a question affecting commerce has arisen concerning the representation of employees of the Company, within the meaning of Section 9 (c) and Section 2 (6) and (7) of the Act.

## IV. THE APPROPRIATE UNIT

The Company, the CIO, and the AFL agree that, if an election is directed,<sup>7</sup> the appropriate unit should be the existing plant-wide unit

<sup>4</sup> For Decision and Direction of Election, see case cited in footnote 2.

<sup>5</sup> See *Matter of L. E. Shunk Latex Products, Inc.*, 67 N. L. R. B. 552. There are four supplements to the contract, the last being dated February 20, 1946. None of these supplements, however, contains anything affecting the duration of the basic contract.

<sup>6</sup> The Field Examiner reported that the CIO submitted 810 application-for-membership cards bearing the names of 215 employees listed on the Company's pay roll for the period ending December 15, 1945. There are approximately 602 employees in the unit the CIO claims to be appropriate. The AFL relies upon its contract as evidence of its interest in the same unit. The IAM and the IBEW submitted designations during the hearing as evidence of interest in their respective proposed units.

<sup>7</sup> The Company and the AFL urge that no election be directed at the present time because of the present state of operations of the Company. The IBEW and the IAM make the same contention. For a full discussion of this issue, see Section V, *infra*.

established by the Board in the previous *Geneva* case.<sup>8</sup> The IBEW contends, however, that a plant-wide unit is inappropriate, and seeks a unit confined to all electricians. And the IAM asks that the existing plant-wide unit be broken into three bargaining units consisting of (a) production employees, (b) maintenance employees, and (c) electricians; the IAM seeks to represent a craft unit of maintenance employees, and also wishes to be placed upon the ballot in any election directed in a separate unit of production workers.

The record discloses that the Company has entered into an agreement with the Reconstruction Finance Corporation, under which it is now operating. This agreement limits the present functions and responsibilities of the Company to maintenance of the facilities owned by the Reconstruction Finance Corporation and to such limited operation of some of these facilities as in the judgment of the Company is necessary and desirable in connection with the maintenance program. As a consequence of this program, operations of the Company at the Geneva Plant are on a greatly reduced basis with a corresponding reduction in personnel. However, notwithstanding this reduction, the composition of the bargaining unit has not materially altered. A few job classifications have been temporarily eliminated. But the resumption of normal production would restore all the job classifications which existed at the time of the hearing in the prior *Geneva* case, and it is clear that the Geneva Plant is still basically organized for the production of steel. In fact, some products are not being manufactured, although such production is related to the maintenance program. The transcript of the previous *Geneva* case has been incorporated into the record in these proceedings and is properly before us. In that proceeding the IBEW and the IAM also specifically requested separate units conforming to their respective jurisdictions. On the basis of the record in that case, and on the basis of the history of bargaining in the steel industry, we denied their requests, and found a plant-wide unit to be appropriate. In so doing we said,

The Geneva Plant is new with no prior history of collective bargaining. The Company and the U. S. A. contend that a single unit of production and maintenance employees at the plant is appropriate for collective bargaining purposes. The various affiliates of the Council, the I. B. E. W., the I. A. M., the Enginemen, and the Trainmen all seek separate craft units. Putting aside

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<sup>8</sup> See footnote 2. The unit established reads as follows :

. . . all hourly rated employees of the Company at the Geneva Plant, including watchmen, gang leaders, and hourly rated recorders, but excluding salaried employees, confidential clerical employees regardless of method of compensation (but not excluding other clerical employees on an hourly wage rate basis), guards, and all supervisory employees with authority to hire, promote, discharge, discipline, or otherwise effect changes in the status of employees, or effectively recommend such action. . . .

for the present the claims of the Enginemen and the Trainmen, it appears that the unit issue herein is the same as that which was resolved by the Board in *Matter of Tennessee Coal, Iron and Railway Company* [39 N. L. R. B. 617] by a finding that an industrial type unit was appropriate in the basic steel industry. The record in the instant case unquestionably confirms our conclusion in the above case. Accordingly, we find no merit in the contentions of the several American Federation of Labor affiliates that the separate craft units which they seek are appropriate for the purposes of collective bargaining at the Geneva Plant.

We perceive no valid reason to alter our unit determination in the previous case in the light of the circumstances related above.<sup>9</sup>

Accordingly, we find that all hourly rated employees of the Company at the Geneva Plant, including watchmen, gang leaders, and hourly rated recorders, but excluding salaried employees, confidential clerical employees regardless of method of compensation (but not excluding other clerical employees on an hourly wage rate basis), guards, and all supervisory employees with authority to hire, promote, discharge, discipline, or otherwise effect changes in the status of employees, or effectively recommend such action, constitute a unit appropriate for the purposes of collective bargaining within the meaning of Section 9 (b) of the Act.

#### V. THE DETERMINATION OF REPRESENTATIVES

As has already been indicated, the Company, the AFL, the IBEW, and the IAM urge that no new election be directed at this time because of the contracted nature of the Company's present operations, and the uncertainty over the future ownership of the Geneva Plant.

It appears from an examination of the record that, under the terms of the Company's original contract with the Defense Plant Corporation the responsibility of the Company for operating the facilities of the Geneva Plant ended on November 12, 1945. Normal production of steel terminated shortly prior to this date. The present agreement of the Company with the Reconstruction Finance Corporation, providing for maintenance operations, became effective on November 13, 1945, and is scheduled to expire not later than July 12, 1946. It also appears that the War Assets Corporation has offered the Geneva Plant for sale or lease under a sealed bid program, the bids to be opened on May 1, 1946. In the event the plant is thus disposed of, the Company's agreement with the Reconstruction Finance Corporation can be ter-

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<sup>9</sup> The IAM argues that in view of its recent estrangement from the AFL, it can no longer be properly represented by that organization. But, clearly, this circumstance cannot be determinative of the issue here presented, for we are of the opinion that in any case a unit not plant-wide in scope is inappropriate.

minated on 30 days' notice. In the meantime, the working force of the plant, which normally totals between 3,000 and 4,000 employees, now totals between 500 and 600. These employees are engaged essentially in maintenance. Yet, as already indicated, some finished products are being manufactured. Furthermore, there is undisputed testimony that approximately a year will elapse before the existing facilities of the Geneva Plant can be geared to the needs of normal peacetime production. It appears obvious, therefore, that whether the Company, another United States Steel subsidiary, or some other concern should become the operator, the present status of maintenance and operations will remain fairly static for a year or longer. Moreover, who the future owner will be and what circumstances will then obtain are highly conjectural matters.

Under all these circumstances, we see no reason for denying at this time to almost 600 employees their right to choose a bargaining representative. However, in order to provide for the possibility of an expanded unit, we shall entertain a new representation petition affecting the employees involved herein within a period of less than 1 year, but not before the expiration of 6 months, from the date of any certification which we may issue in the instant proceeding, upon proof (1) that the number of employees in the appropriate unit is more than double the number of employees eligible to vote in the election hereinafter directed; and (2) that the petitioning labor organization represents a substantial number of employees in the enlarged unit.<sup>10</sup>

Accordingly, we shall direct that the question concerning representation which has arisen be resolved by an election by secret ballot among employees in the appropriate unit who were employed during the pay-roll period immediately preceding the date of the Direction of Election herein, subject to the limitations and additions set forth in the Direction.<sup>11</sup>

### DIRECTION OF ELECTION

By virtue of and pursuant to the power vested in the National Labor Relations Board by Section 9 (c) of the National Labor Relations Act, and pursuant to Article III, Section 9, of National Labor Relations Board Rules and Regulations—Series 3, as amended, it is hereby

**DIRECTED** that, as part of the investigation to ascertain representatives for the purposes of collective bargaining with Geneva Steel Company, Provo, Utah, an election by secret ballot shall be conducted

<sup>10</sup> See *Matter of Aluminum Company of America*, 52 N. L. R. B. 1040.

<sup>11</sup> The IAM requests that, in the event a plant-wide unit is designated as appropriate and an election directed, it be afforded a place on the ballot. Its showing in the appropriate unit, though slight, warrants granting this request. See *Matter of Elgin National Watch Company*, 56 N. L. R. B. 30.

as early as possible, but not later than thirty (30) days from the date of this Direction, under the direction and supervision of the Regional Director for the Twentieth Region, acting in this matter as agent for the National Labor Relations Board, and subject to Article III, Sections 10 and 11, of said Rules and Regulations, among employees in the unit found appropriate in Section IV, above, who were employed during the pay-roll period immediately preceding the date of this Direction, including employees who did not work during said pay-roll period because they were ill or on vacation or temporarily laid off, and including employees in the armed forces of the United States who present themselves in person at the polls, but excluding those employees who have since quit or been discharged for cause and have not been rehired or reinstated prior to the date of the election, to determine whether they desire to be represented by United Steelworkers of America, CIO, or by American Federation of Labor, or by International Association of Machinists, District Lodge No. 114, for the purposes of collective bargaining, or by none of these organizations.