

Ongoing rejig at Evraz NA lands 2 execs promotions

LOS ANGELES — Evraz Inc. North America has promoted Jennifer Murray to the new post of senior vice president of organization and change management, the latest move in a corporate realignment made by the steel producer's new chief executive officer.

Murray, who was previously vice president of administration, will work with other recently appointed executives

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—Mike Rehwinkel, Evraz

of Evraz, the North American arm of Russia's Evraz Group SA, "to facilitate the company's evolution into a commercially driven, cohesive enterprise with fully aligned business functions," the company said.

Murray's appointment is part of a "transformation project" initiated by Mike Rehwinkel, a former forest

products industry executive who earlier this year was named to succeed now-retired president and chief executive officer James E. Dedusin at the Portland, Ore.-based producer of plate, coil, tubular and long products. The realignment included an operational reorganization resulting in the formation of separate Flat Products, Tubular Product and Longs Products groups (*AMM*, April 23).

Scott Montross and Rob Simon were promoted to executive vice presidents, in charge of the flat and tubular product groups, respectively, while George Schleining, vice president and general manager of the Evraz Rocky Mountain Steel unit in Pueblo, Colo., oversees long products.

In addition, Evraz has also named Mike Garcia, a former Gerdau Ameristeel Corp. and Alcoa Inc. executive, to the new post of senior vice president of manufacturing and supply chain.

The new organizational structure leaves Evraz, which has an annual capacity of 5 million tons, "well positioned to take advantage of improving market conditions in North America," Rehwinkel said this week.

Frank Haflich

fhaflich@amm.com

China ferrochrome smelters shut

SHANGHAI, China — China's ferrochrome smelters have rapidly shut down this month amid higher power costs and plunging prices, with nearly 60 percent in the production base of Hunan province closed.

Spot market high-carbon ferrochrome prices have fallen to 8,500 to 8,600 yuan (\$1,242 to \$1,257) per tonne delivered duty paid, down as much as 11 percent from early May.

Meanwhile, output costs had already risen to 8,500

yuan (\$1,245) per tonne before power tariffs increased June 1, a trader in Ningbo, Zhejiang province, said.

"The country lifted electricity fees for ferrochrome producers by 0.1 to 0.15 yuan this month. For high-carbon ferrochrome producers, it means a 400- to 600-yuan (\$59 to \$88) cost increase," he said, adding that many ferrochrome-producing customers in Henan, Hunan and Gansu have shut their smelters.

Supreme Court rules for steel distributor

CHICAGO — The U.S. Supreme Court has ruled in favor of New Process Steel LP, overturning a National Labor Relations Board (NLRB) ruling that compelled the Houston-based company to honor a 2007 labor agreement with the International Association of Machinists.

The flat-rolled steel distributor, processor and manufacturer argued successfully that board decisions—or any panel-making decisions to be heard by the board—are invalid without a congressionally mandated quorum of three board members.

New Process had argued at the appellate court level that the 2007 labor pact wasn't wanted by a majority of workers at its Butler, Ind., facility and didn't receive a majority vote to ratify it. The U.S. Court of Appeals for the 7th Circuit affirmed the NLRB's decision, but the Supreme Court has now remanded the case back to the appellate court for review.

"We won," according to New Process Steel's attorney, Sheldon E. Richie, of Richie & Gueringer PC. Justice John Stevens, who wrote the majority opinion, "followed strict statutory language (that requires) three members (on the board) at all times. Any panel to which the board delegated authority also had to have three members, so when (membership) fell from three to two, both lost the authority to make decisions, rendering all the decisions from January 2008 to March 2010, when President Obama made two recess appointments to the board, void."

The impact could be huge for other companies subject to decisions handed down by the NLRB without the required quorum, Richie said. "For New Process Steel, it

now has the opportunity to have its case heard by a fully composed board and get full adjudication and discussion, (which becomes) available when you have dissenting voices." Although the two-member board was made up of one Republican and one Democrat, Richie said the members were compelled to issue unanimous decisions "in order to keep the board functioning, with

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—New Process Steel attorney Sheldon E. Richie

each having to compromise their true views on issues that came before them."

Richie and labor law expert Allen Gross of Mitchell Silberberg & Knupp LLP, Los Angeles, said the NLRB rendered 600 decisions during the two-plus years it had no quorum, but Gross believes that only 60 to 70 cases—those that filed a legal challenge against NLRB decisions based on the quorum argument—are likely to be overturned.

"Clearly the cases where the board's authority was challenged and they are in the courts, and the (lower court) decisions were contrary to what the Supreme Court held, appellate court decisions are now reversed," Gross said Thursday. "And it's clear that those board decisions will be void."

In addition, other companies that had sued but had not brought their cases to the higher courts still have time to legally challenge board decisions, he said, and there is "no question that those decisions will be vacated," and at the very least many decisions that were issued but haven't been challenged in court will no longer be seen as binding. "As a pure legal matter, they (NLRB decisions) have no

binding precedential effect right now."

But Gross said he wouldn't necessarily advise employers to seek legal challenges. Because board membership increased to four in March, with members tipping toward pro-labor views, "you could go through the entire legal process again and end up with the same decision you had in the first place."

The five-to-four decision authored by Justice Stevens concluded: "We are not insensitive to the board's understandable desire to keep its doors open despite vacancies. Nor are we unaware of the costs that delay imposes on the litigants. If Congress wishes to allow the board to decide cases with only two members, it can easily do so. But until it does, Congress' decision to require that the board's full power be delegated to no fewer than three members, and to provide for a board quorum of three, must be given practical effect rather than be swept aside in the face of admittedly difficult circumstances."

Stevens' opinion provided an entertaining analogy: "(The statute) does not authorize the board to create a tail that would not only wag the dog, but would continue to wag after the dog died."

For New Process Steel, "the Supreme Court decision confirms that national labor law must be fairly applied to protect the rights of labor and management," the company said. "Even small employers like New Process Steel have recourse to the courts when their rights are ignored."

New Process must now wait until the case is reviewed by the 7th Circuit appellate court, which could remand it back to the NLRB, Richie said.

Corinna Petry
cpetry@amm.com