arb no # 36

ARBITRATION AWARD

Inland Steel Company
(Indiana Harbor Works)

and

Before

United Steelworkers of America, Local 1010, C.I.O.

John K. Kyle
Arbitrator

The controversy, under Grievance No. 14-C-7, was submitted to arbitration by voluntary action of the parties and terms of the collective bargaining agreement dated May 7, 1947. The company was represented by W. A. Blake, Superintendent of Labor Relations, L. B. Luellen, Assistant to the General Superintendent, and J. M. Helme. The union representatives were Joseph Jeneske, International Representative, Harry Powell, President, William McKinsey, Chairman of the Grievance Committee, Peter Calacci, Grievance Committeeman, and other interested union members. Hearing was held at company offices at East Chicago, November 16, 1948.

THE ISSUE

Should rate changes agreed upon by the company and union for craanmen in the Hot Strip Mills Slab Yard Division, be retroactive to December 19, 1944?

SUMMARY OF THE FACTS

On December 19, 1944, a grievance was filed requesting that the "job be evaluated, comparing the mill and slab yard cranes. Both are vital for efficient operation of the rolling mills. We quote Art. 4 Section 4 of our contract."

No action was taken on the grievance at the time because of a directive order of the National War Labor Board, dated November 25, 1944. Under the directive order, a study of wage rate inequities was undertaken by the parties, which study was not completed until after the termination of wage stabilization and controls. The wage rate inequities study resulted in a special, "Wage Rate Inequity Agreement" between the parties, dated June

30, 1947. Appendix 3 of this agreement contains base rates per hour established for 35 job classes, to which incentive rates are applied under procedure outlined in Appendix 4. Under the agreement no relief was given those involved in the grievance because the base rate in effect for these jobs was found to be above that established in the agreement and the incentive rate was comparatively low.

Union representatives verbally complained to proper management about the rate, after it was found that no relief was granted the workers involved by the Wage Rate Inequity Agreement. Management recognized the need for adjustment and changes were made which resulted in about 13 ¢ per hour increase in wages for the men involved. The parties were then unable to agree on the date of retroactivity and their contentions thereon are more fully set forth under the statement of positions below.

UNION POSITION.

1. That the original grievance, filed December 14, 1944, was never disposed of.

2. That the new rate was negotiated as a direct result of this grievance and therefore, it should be retroactive to the date of the original grievance.

COMPANY POSITION.

1. That the original grievance was disposed of by the operation of the Wage Rate Inequity Agreement.

2. That recognition of retroactivity in this case nullifies the Wage Rate Inequity Agreement and the current collective bargaining agreement providing that changes in rates must be made by mutual agreement.

DISCUSSION OF THE ISSUES.

The original grievance involved in this controversy seems to have been left floating in the air, by itself, due to no fault of either party. It became involved in the complexities arising out of wartime controls, and both parties recognized that nothing could be done on an adjustment

at the time the grievance was filed. The situation was further complicated by the many delays in the procedure of adjusting wage rate inequities, the gradual elimination of war time controls and the fact that the rather complete and sweeping revision of wage rates was not consumated by agreement until June 30, 1947.

This agreement, Company Exhibit 3, contains the following clauses, which the arbitrator believes have an important bearing on the issue:

"Section 9.

1. Upon and from the date of this Agreement the Standard Base Rate Wage Scale provided for herein shall become effective and thereafter no basis shall exist, except as provided for within the terms of this Agreement, for any employee of the Company in person or through his authorized representatives to allege that a wage inequity exists, whether such employee shall be paid on an hourly or an ~~g~~incentive basis, and no grievance on behalf of an employee based upon an alleged wage inequity shall thereafter be filed or processed.

.....

2. The disbursement of retroactive payments provided for in Section 8 of this agreement shall be a final settlement of any and all obligations of the Company with respect to retroactive pay to any and all employees and former employees in respect of alleged wage rate inequities.....

An almost identical provision was written into the collective bargaining agreement between the parties dated May 7, 1947. The wage section of this agreement was revised at the time of the Wage Rate Inequity Agreement, June 30, 1947 and on July 20, 1948.

Strict — Although the testimony indicates that there was apparently some discussion about the slab yard cranemen rate between Grievance Committeeman Calacci and F.W.Gillies, Plant Superintendent, at the time the Wage Rate Inequity Agreement was under consideration, there is nothing in the language of the agreement, quoted above, which shows any intention of the parties

to exempt these workers from the terms of that agreement.

The language of the contract specifically prohibits both filing and "processing" of grievances involving wage inequities, and further states in the same section that retroactive payments shall be in final settlement of any and all obligations based upon alleged wage inequities.

An examination of the contracts in their entirety fails to disclose any provision, "under the terms of this agreement" for further consideration of the earlier inequities which apparently still existed in the rates of the cranemen involved.

The arbitrators' attention was called to an earlier arbitration, Case 16-B-38, involving retroactivity, but a perusal of the facts in that case shows it involved a controversywhich arose before the signing of the Wage Rate Inequity Agreement.

It is the conclusion of the arbitrator that the slate was wiped clean by the broad language quoted above and agreed to by duly authorized representatives of both parties. It is unfortunage that complexities of war-time restrictions and of the long wage rate study resulted in several years delay in the adjustment of the rates of the men involved. However, the three or four year struggle to work out an equitable rate schedule had to come to an end at some time, and the parties apparently said in substance that this is the time on June 30, 1947, when they signed the Wage Rate Inequity Agreement, as an adjustment of past differences and outlined procedure for future necess ry adjustments.

AWARD

Retroactive pay for slab yard cranemen, under grievance No.14-C-7, can not be paid from December 19, 1944, because it is prohibited by the provisions of Section 9 of the Wage Rate Inequity Agreement and Section 7 of the current collective bargaining agreement.

JOHN K. KYLE
Attorney-At-Law
620 INSURANCE BUILDING
MADISON, WISCONSIN

February 14, 1949

Mr.W.A.Blake,Supt,Labor Relations
Mr.Joseph B.Jeneske,Rep.Local 1010,U.S.W.
Inland Steel Company
East Chicago, Indiana

Gentlemen:

Enclosed herewith you will find report and decision of the arbitrator on Grievance No. 14-C-7.

Exhibits submitted by the parties, with the exception of briefs of the parties retained in my files, are being returned to each of the parties under separate cover.

Very truly yours,

J. K. Kyle

Arbitrator

Write a letter of explanation
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