BEFORE

ROBERT O. BODEN

IMPARTIAL ARBITRATOR

INLAND STEEL COMPANY	)	
and	)	Grievance No. 8-E-7
UNITED STEELWORKERS OF AMERICA LOCAL UNION 1010	)	Arbitration No. #141

ARBITRATOR'S AWARD

Question To Be Decided

Was the Company in violation of Article V, Section 6, of the Collective Bargaining Agreement when it classified, described, and installed the Scarfer occupation (Index No. 49-0312) on October 19, 1954?

Decision of the Arbitrator

The Company was not in violation of the Agreement when it classified, described, and installed the Scarfer occupation (Index No. 49-0312) on October 19, 1954.

Respectfully submitted,

Robert O. Boden, Impartial Arbitrator

O P I N I O N

Prior to February, 1954, the P.C. Dock and 40" Billet Dock department was a distinct seniority unit. Employees performed scarfing (Index No. 61-1008) in both the P.C. Dock area and the 40" Billet Dock area. In February, 1954, all scarfing activities were discontinued in the P.C. Dock area. On October 1, 1954, the area known as the 40" Billet Dock area was made a part of the #2 Blooming Mill Department, and the occupation of Scarfer (Index No. 61-1008) was transferred to the #2 Blooming Mill Department. The work continued to be performed in the same location. Employees working in such jobs were transferred and thereafter held seniority in the #2 Blooming Mill Department and continued to receive the 18 cents per hour out-of-line rate which had been in effect when the work was under the P.C. Dock and 40" Billet Dock department.

Subsequent to October 1, 1954, scarfing was re-established in the P.C. Dock area. The Company described and classified a Scarfer occupation (Index No. 49-0312) and installed it. On October 2, 1955, scarfing work in the P.C. Dock area was discontinued; and as of this hearing date, November 22, 1955, no scarfing was being performed.

In cases of this nature the intent of the contract is not to be circumvented by the Company through an attempt to exercise its managerial rights by changing seniority units and stopping and starting work in various locations. Discontinuing scarfing alone is not reason enough to eliminate the 18 cent out-of-line rate or to change the method of scarfing.

To think of it in this light, the Arbitrator assumed that scarfing in the P.C. Dock area continued and is currently being performed. This assumption precludes any question of management's starting and stopping operations. The rights of the parties now can be described in terms of the contract. Article IV, Section 1, reads:

> "Except as limited by the provisions of this agreement, the management of the plants and the direction of the working forces, including the right to direct, plan and control plant operations, to hire, recall, transfer, promote, demote, suspend for cause, discipline and discharge employees for cause, to lay off employees because of lack of work or for other legitimate reasons, to introduce new and improved methods or facilities, and to change existing methods or facilities and to manage the properties in the traditional manner are vested exclusively in the Company, provided, however, that in the exercise of such functions the Company shall not discriminate against employees because of membership in or legitimate activity on behalf of the Union."

This clause, in effect, gives the Company the right "... to introduce new and improved methods or facilities, and to change existing methods or facilities..."; so that had scarfing continued, the Company could have changed the method. As to the 18 cent out-of-line rate, Article V, Section 1, reads in part:

> "Out-of-line rate jobs which are not now on an incentive shall receive the increase of five (5) cents per hour herein provided for, in addition to the present out-of-line rate until such time as the Company develops and installs an incentive for such job under the provisions of Section 5 of this Article V, at which time the out-of-line base rate will be replaced by the Standard Base Rate resulting from the point evaluation under the Standard Base Rate Wage Scale."

This clause justifies removing the out-of-line rate when an operation isput on incentive.

Article V, Section 6, reads in part:

"The job description and classification for each job as agreed upon under the provisions of the Wage Rate Inequity Agreement of June 30, 1947, and the Supplemental Agreement relating to Mechanical and Maintenance Occupations, dated August 4, 1949, shall continue in effect unless (1) the Company changes the job content (requirements of the job as to training, skill, responsibility, effort or working conditions) so as to change the classification of such job under the Standard Base Rate Wage Scale or (2) the description and classification is changed by mutual agreement between the Company and the Union.

When and if, from time to time, the Company at its discretion establishes a new job or changes the job content of an existing job (requirements of the job as to training, skill, responsibility, effort or working conditions) so as to change the classification of such job under the Wage Rate Inequity Agreement of June 30, 1947, as amended and supplemented, a new job description and classification for the new or changed job shall be established in accordance with the following procedure:"

This indicates the need for a new description and classification for either of two reasons: (1) "when and if, from time to time, the Company at its discretion establishes a new job, " or (2) "changes the job content of an existing job (requirements of the job as to training, skill, responsibility, effort or working conditions)." In the instant case it appears that reason (1) has been initiated and complied with in so far as the Scarfer occupation (Index No. 49-0312) is concerned. The method of scarfing had been changed sufficiently to make a one-man operation practical. Both the equipment and the extent of scarfing of the steel had been changed.

In the Union submission, reference was made to Article XIV, Section 6, which reads:

"Local Conditions and Practices. This Agreement shall not be deemed to deprive employees of the benefit of any local conditions or practices consistent with this Agreement which may be in effect at the time it is executed and which are more beneficial to the employees than the terms and conditions of this Agreement."

The Union stated: ". . . we contend the local condition of having two men on a torch was not inconsistent with the Agreement and, therefore, must remain in effect unless the Company can prove that it is inconsistent with the Agreement." This clause was not intended to deprive either party of their rights, nor was it intended to be used by either party to circumvent the intent and meaning of other clauses in the Agreement.

The Arbitrator finds that the Local Working Conditions clause of the Agreement cannot be used to stop the Company from making technological improvements in the productivity of its operations. The rights of employees when improvements are made are protected by other provisions of the Agreement. On the other hand, the Company cannot turn operations on and off and use this discontinuity as a subterfuge to deprive employees of their rights under the Local Working Conditions clause.

The Arbitrator is, therefore, of the opinion that the Company was not in violation of the Agreement when it classified, described, and installed the Scarfer occupation (Index No. 49-0312) on October 19, 1954, and denies Grievance No. S-E-7.

March 20, 1956