INLAND STEEL COMPANY )
)
and )
)
UNITED STEELWORKERS OF AMERICA )
Local Union 1010 )

Grievance No. 11-G-28
Appeal No. 520
Arbitration No. 494

Opinion and Award

Appearances:

For the Company:

W. A. Dillon, Assistant Superintendent, Labor Relations Department
R. J. Stanton, Assistant Superintendent, Labor Relations Department
J. Borbely, Divisional Supervisor, Labor Relations Department
J. P. Higgins, Assistant Superintendent, 100" Plate Mill
D. F. Hennor, Administration Supervisor, 100" Plate Mill
M. R. Saksa, Supervisor, Works Accounting

For the Union:

Cecil Clifton, International Representative
A. Garza, Secretary, Grievance Committee
Joe Sowa, Griever

This grievance charges violations of Sections 5 and 9 of Article VII. For the week of November 13, 1960 the Company scheduled the employees in the 100" Plate Mill for 24 hours (three days of three turns each), and the grievance contends that this fails to observe the 32-hour workweek requirement.

This occurred during a period of reduced operations, and the Company maintains that this was the practical way to operate in these circumstances. It pointed out in detail the nature of the 100" Mill operations, the need to heat slabs for processing, to maintain quality by avoiding unnecessary exposure to the heating process because of the scale resulting from the oxidation, and the necessity of synchronizing the workforce at this Plate Mill with the possible deliveries of slabs from the Blooming Mills or the No. 4 Slabbing Mill. It prepared comparative cost estimates of operations at the 100" Mill on a nine-consecutive turn basis and of the kind of operation advocated by the Union , -- two-turn operations four or five days per week, showing substantial savings in the three day per week operation.

The Union questioned the Company's figures and insisted that the Company did not take into account savings it could effect on the two-turn basis by dispensing on the down turns with several exempt employees and maintenance people. It also showed that for five years immediately preceding September, 1950 the Company did operate the 100" Mill on a two-turn basis.

Section 5, cited by the Union, has little bearing on the issue before us. The case turns on the construction of Section 9.

The relevant part of Section 9, Article VII, is A(2). (Paragraph 159), as follows:

> "Where practicable, the hours of work within a sequence shall be reduced to thirty-two (32) hours per week before anyone with continuous length of service standing in a sequence is displaced therefrom."

This provision in its present form appeared first in the 1956 Agreement. In the 1947, 1952, and 1954 Agreements the words "where practicable" were not used, although the remainder of this sub-section was identically as it now is. The Company strongly insists that "where practicable" was added for the express purpose of giving it flexibility in determining under its general management rights how most efficiently and economically to conduct its operations.

The Company referred to an award by Arbitrator Shipman in a Wheeling Steel case in 1960 (Arbitration File No. 60-1) in which a similar question was considered. The Arbitrator held that the right to determine the workforce is not an absolute right but must be exercised in light of the resulting effects on the employees. He found that three-day operations in the "continuous furnaces and the like" were justified by "considerations of efficiency and practicality," although a different conclusion was reached with respect to non-production or maintenance work.

The expression "where practicable" has meaning, and the parties must have intended to give it its normal meaning when they modified a contract provision that had been in use for nine years or more by adding these words. Its normal meaning in the context in which it is used must encompass better efficiency, a better flow of production and quality control, and savings in cost and material.

Coming into use in 1956, the course followed by the Company in the 1945 - 1950 period to which the Union called attention, when operations were conducted on a two-turn, four or five-day week, rather than, as here, on a three-turn, three-day week, is of less significance than the course followed by the Company since 1956. In this 100" Mill as well as in the 28", 44", and 76" Hot Strip Mills, in the years 1958 - 1960 there were numerous instances in which, without protest by the Union, operations at or below the 12-turn level were on a continuous three-turn per day basis.

The Union argues that "where practicable" must be confined to operations which are actually continuous, but the contract does not support this argument. "Practicable" and "possible" are not synonymous words, and if the revision introduced in 1956, and carried over into the 1960 Agreement, were meant to refer only to continuous operations in the technical sense it could readily have been written to say so.

It may well be that the Company's estimate of the savings realized from nine consecutive turns as compared with four or five two-turn days per week, with the resultant startups, reheating time, oxidation of the slabs in the soaking or heating areas during downturns, the yield losses, and other effects of five startups rather than one, is overstated. The Union raised some serious questions about some of the items included in the Company's computation.

But, on balance, it is evident that higher costs, more duplicating or avoidable motion, a greater amount of scaling or quality problems, and similar consequences would result from the two-turn, four and five-day operation than the Company experiences under its nine consecutive turn operations of the 100" Mill. It is also evident that the sum total of these differences is sufficiently large, even with the proper deductions or offsets, to hold that the Company is not motivated by bad faith or willful disregard of the employees' interests or rights in choosing to operate in this manner when the 100" Mill is down to nine turns per week. In other words, it would be less efficient in terms of time, manpower and quality, and more costly, to operate as proposed by the

Union, and hence not practicable. The evidence in this case demonstrates these facts.

The Union's contention that nevertheless the Company did operate in the manner it recommends from 1945 to 1950 is completely answered, as stated, by the fact that at that time the Company was not given the latitude contemplated by the addition of the qualifying words "where practicable" until the 1956 Agreement, since when on many occasions mills of the kind here involved have been run on a consecutive or continuous turn basis for the number of turns needed. In the earlier period the Company, by force of the contract provision then in effect, did not have the degree of freedom in making its choice that it now has.

Parenthetically, it may be pointed out that the 1962 Agreement makes provision for a minimum of 32 hours of pay, and, like the revision made in 1956, will make a difference hereafter as to the respective rights and obligations of the parties.

The subsidiary point as to whether Article VII, Section 9 applies to employees in the labor pool has been answered in the affirmative in Arbitration 467, and the Company stated at the hearing that it will observe that ruling.

AWARD

This grievance is denied.

Dated: August 31, 1962

/s/ David L. Cole

David L. Cole
Permanent Arbitrator