In the Matter of Arbitration Between:

INLAND STEEL COMPANY
- and the -
UNITED STEELWORKERS OF AMERICA,
AFL-CIO, Local Union No. 1010

ARBITRATION AWARD NO. 550

Grievance Nos. 19-G-29 and 19-G-32
Appeal Nos. 906 and 907

PETER M. KELLIHER
Impartial Arbitrator

APPEARANCES:

For the Company:

Mr. W. A. Dillon, Superintendent, Labor Relations Department
Mr. J. C. Granack, Divisional Supervisor, Labor Relations Department
Mr. M. S. Riffle, Divisional Supervisor, Labor Relations Department
Mr. L. R. Mitchell, Divisional Supervisor, Labor Relations Department
Mr. W. A. Bierman, General Foreman, Wire Shop
Mr. C. G. Bray, General Foreman, Carpenter Shop

For the Union:

Mr. Peter Calacci, International Staff Representative
Mr. John De Graaf, Member, Grievance Committee
Mr. Felix Prieto, Witness
Mr. Don Wilson, Witness
Mr. Thomas Formoso, Witness
Mr. Al Garza, Chairman, Grievance Committee

STATEMENT

Pursuant to proper notice a hearing was held in GARY, INDIANA, on August 6, 1963.

THE ISSUE

The issue is the disposition of the following grievances:

Grievance No. 19-G-29 was amended in the third step to read:

> "The aggrieved Carpenters, who were hired from the Employment Office in the Craft occupation, were demoted to the Labor Pool."

The amended Relief Sought reads:

"The aggrieved Carpenters request that they be given an option of layoff or work in the labor pool."

Grievance No. 19-G-32 reads:

"The aggrieved Electricians, who were hired from the Employment Office in the Craft occupation, were demoted to the Labor Pool.

During verbal discussion with the General Foreman, he stated that he had no more work for them as electricians, so he then demoted them to laborers."

The Relief Sought reads:

"The aggrieved electricians request that they be placed on laid-off status and be called back to their occupation when needed."

DISCUSSION AND DECISION

These grievances arose under the January 4, 1960 Contract. Under Article VII, Section 9, a specific procedure is to be followed when it becomes necessary to "lay off because of decreased business activity". The only exception to the following of this procedure is a situation where it is "otherwise mutually agreed between the Company and the Union". The Union claims that a special agreement entered into on July 29, 1949 constitutes a mutual agreement to follow a procedure other than that specified in the basic Contract language. This document relied upon by the Union reads:

"MEMORANDUM OF AGREEMENT IN CONNECTION WITH THE EXPANSION AND CONTRACTION OF FORCES ASSIGNED TO NEW CONSTRUCTION WORK

It is mutually agreed between the Company and the Union this 29th day of July 1949, that the procedure for reducing the forces outlined in Section 9 of Article VII of the Collective Bargaining Agreement dated May 7, 1947, (as since supplemented and revised), shall not apply to manpower additions which are made to the forces of the New Constructions and the Electrical and Mechanical Departments or Divisions after August 1, 1949, for assignment to New Construction Work.

When it becomes necessary to reduce forces in these aforementioned departments, the employees specifically referred to above who were hired subsequent to August 1, 1949, shall be layed-off on a 'last on - first off' basis before a program of sharing the work is instituted.

> This Agreement shall not deprive said employees who have satisfactorily completed their probationary period, of the provisions of Section 11, Article VII; and, if and when the need for additional help on New Construction projects arises in the departments or divisions from which these men have been layed-off, those whose employee relationship has not been broken shall be called back in the reverse order to that in which they were layed-off." (Union Exhibit 1)

It is the Union's contention that their claim that the employees have an option "of layoff or work in the labor pool" is supported by the above language. A careful analysis of this language shows that there is no possible basis for even a remote inference that an option is being granted to either take a layoff or accept work in the labor pool. Simply stated, there are no words that could be so interpreted. The document does not represent a grant of expanded privileges to employees in the New Construction Forces. These employees who are referred to in accompanying documents as being employed in work of a "temporary nature" actually had their otherwise contractually broad seniority rights restricted. Article VII, Section 9, was not to apply to "manpower additions" which were made to the forces of the New Construction and Electrical Departments after August 1, 1949. These employees were to be "layed-off" on a "'last on-first off' basis before a program of sharing the work is instituted". By insisting that these employees have an option, the Union is actually claiming that those employees had an additional privilege above and beyond that set forth in the basic Contract. This is clearly contrary to the entire purpose expressed in the document and the interpretation attached thereto. Seniority rights are in the nature of vested property rights. They are also relative rights that effect the status of other employees. Modifications or additions to seniority rights cannot be found by remote inference. In this particular case there is no language that could form the basis from which an inference could be drawn.

The alternative in this option is that they be given an opportunity to "work in the labor pool". When the 1949 document was executed, there was no labor pool in the New Construction Department. This part of the option, therefore, could not have been within the contemplation of the signatories to that agreement. There actually was no Wire Department. The Plant No. 2 Wire Shop had been a part of the Electrical Department and was not added to the Field Forces Department until August 1, 1952. On this same date a Field Labor Group which had been affiliated with the Yard Department was included in the organization structure of the new Field Forces Department. These two grievances are limited to those employees who allegedly were hired in the Employment Office as Craftsmen. These employees essentially are objecting to the fact that there is a labor pool in this department, although at the same time they are contending that they have an option if they desire to go to this labor pool. The testimony is that in the Mechanical Department there is no labor pool and if Craftsmen are laid off

in that department they "go out the gate" and still retain their seniority. These Craftsmen are then able to obtain high earnings on the outside while the Craftsmen in the Field Forces Department may be working in the labor pool at lower rates. Conceding, however, that an inequity may exist, this Arbitrator has no contractual authority to determine an issue based upon his judgment as to the relative equities in the situation. His authority is limited to an interpretation and application of contract language. This Arbitrator, likewise, lacks authority at this time on the basis of this grievance to declare that the Field Forces Department labor pool is non-existent. This labor pool has been a part of this organizational structure since 1952.

There is no claim in this record that a past practice existed supporting the alleged options. The record does show that prior to the decrease in forces giving rise to the filing of these grievances sixteen Carpenters were demoted to the labor pool. Three of these employees had been hired as Carpenters. No grievance was filed with reference to this demotion. It is unrefuted that the Steel Industry practice does not support such an option. This Arbitrator is familiar with the existance of such an option in some non-Steel Contracts. Where an option of this type is intended, it is expressed in clear and precise language.

AWARD

The grievances are denied.

Peter M. Kelliher

Dated at Chicago, Illinois

26th day of September 1963