Before Board of Arbitration
Established by Agreement of the Parties of October 20, 1966

INLAND STEEL COMPANY and UNITED STEELWORKERS OF AMERICA Local Union 1010	)	Grievance No. 14-HA-42 Appeal No. 1176 Award No. 584 Opinion and Award

Board of Arbitration

Thomas H. M. Hough, Union designated member
William A. Dillon, Company designated member
David L. Cole, Neutral member and Chairman

Appearances:

For the Company:

Robert H. Ayres, Superintendent, Labor Relations
James T. Hewitt, Arbitration Corodinator
Thomas R. Tikalsky, Assistant Superintendent, Labor Relations
Lester Backley, Administrative Assistant, Labor Relations
John A. Keckich, Manager, Shape Mills and Roll Shops
Robert P. Schaefer, General Foreman, No. 4 Slabber
Michael J. Mezey, Industrial Engineer

For the Union:

Peter Calacci, International Representative
John Sargent, President, Local 1010
William E. Bennett, Chairman, Grievance Committee
Ray Carson, Grievance Committeeman, No. 4 Slabber
David Velasquez, Grievance Committeeman, Plant No. 1 Mills
Curtis Brown, Craneman, Plant No. 1 Mills
Walter Tompkins, Craneman, Plant No. 1 Mills
Matt Mikisich, Craneman, No. 4 Slabber
Edward Wojcik, Craneman, No. 4 Slabber
Andrew White, International Representative, Observer
Eddie De Vault, Observer

This dispute involves the manning of new facilities in which the contesting parties are really employees in the Heating Sequence of the No. 4 Slabbing Mill Department and employees on the No. 1 Blooming Mill Department who are said to be displaced because of new facilities in the No. 4 Slabbing Mill. The International Union and the Company, pursuant to Section 23 of Article 13, agreed to have this dispute heard by a tripartite board, but that nevertheless

> "The Chairman of the Board will decide the matter and write an opinion, with the Company and Union representatives having no vote."

Although I have discussed the merits of this dispute with my associate board members, Messrs. Hough and Dillon, this award is being prepared and issued solely as my own responsibility.

In their joint submission the parties described their difference as follows:

> "The issues being presented to the Board of Arbitration at this time are whether the new soaking pits and servicing cranes constructed in the No. 4 Slabbing Mill Department constitute 'new facilities' within the meaning of Article VII, Section 22 of the April 6, 1962 Collective Bargaining Agreement, as amended June 29, 1963, and whether the Company violated Sections 3, 4, 5, 6, and 13 of Article VII when it transferred employees to be displaced from the No. 1 Blooming Mill Department, as a result of the installation of these facilities, into the Heating Sequence of the No. 4 Slabbing Mill Department pursuant to the provisions of Article VII, Section 22."

Article VII, Section 22 was introduced in the 1962 Agreement. It is called "Manning of New Facilities" and stipulates a priority or order in which qualified employees who apply for such jobs shall fill them in the order of length of service. The priority or order is as set forth in paragraphs 188a, 188b, 188c, and 188d:

> "(1) Employees displaced from any facilities being replaced in the plant by the new facilities.
>
> (2) Employees being displaced as the result of the installation of the new facilities.
>
> (3) Employees presently employed on like facilities in the plant.
>
> (4) Employees presently on layoff from like facilities in the plant."

Paragraph 188g gives Management the right to assign an employee to his regular job on the old facility in order to continue its efficient operation, the employee to be established on the new job and then temporarily assigned to his former job until a suitable replacement is trained or its performance no longer required. This is mentioned because this is what has been done in this case.

Under what is called Modified Phase II of its Expansion Program the Company in 1964 started on an extensive plan of construction, modernization and expansion. This included the construction of 27 new soaking pits (nine batteries) in the No. 4 Slabbing Mill, increasing its heating capacity from 18 to 45 soaking pits. Five new servicing cranes were also to be added. Under this program, the Company's oldest blooming facility, No. 1 Blooming Mill, is to be shut down, and the products formerly put out by the Company's four Blooming Mills were to be redistributed among No. 2 and No. 3 Blooming Mills and No. 4 Slabbing Mill.

The new soaking pits and servicing cranes in No. 4 Slabbing Mill were taken by the Company to be new facilities, with the manning governed by Article VII, Section 22, meaning that employees in No. 1 Blooming Mill facing displacement were given the right to apply for and fill these jobs, pursuant to paragraph 188b (as employees being displaced as the result of the installation of new facilities). Specifically, this was done with cranemen, for whom there will be new jobs at the expected level of operations in No. 4 Slabbing Mill or in another part of the expanded or new facilities.

Since these cranemen are from another department (No. 1 Blooming Mill Department) the employees in No. 4 Slabbing Mill Department are protesting by

this grievance, maintaining that this violates their contractual seniority rights, as set forth in Sections 3, 4, 5, 6, and 13 of Article VII.

The main contentions of the protesting employees are that these are additional facilities, and not new facilities within the meaning of the contract provision; and that employees in No. 4 Slabbing Mill have been aware since 1958 that the pit and crane capacity would have to be enlarged and have consequently taken positions in the heating sequence in preference to other opportunities.

As to the latter point, the simple response is that despite the course followed by employees in No. 4 Slabbing Mill from 1958 on the Company and the Union saw fit to amend the agreement in 1962 by adding these special provisions designed to protect employees displaced because of the establishment of new facilities which would of course override any expectations developed by the No. 4 employees prior thereto. As a matter of fact, it is not a farfetched guess to say that when the 1962 agreement was made and when it was amended in 1963 the negotiating parties were well aware of the Company's expansion program and had just such developments in mind in adopting the provisions in question.

The distinction between "added" and "new" is not easily stated. An added facility, meaning for example an additional piece of equipment, is also new. Both parties in processing this grievance used "new" and "added" interchangeably.

Certainly, one could not say flatly that any addition of a new piece of equipment in a department subordinates the seniority rights of employees in that department to those of employees elsewhere who may be able to show some remote or indirect effect on their job opportunities or job security.

The major spokesman for the employees in No. 4 Slabbing Mill conceded that if these additional soaking pits and cranes had been installed in a new building, or even in an adjoining building, they would have to be treated as new facilities under Section 22 of Article VII.

In this instance the weekly tonnage of No. 1 Blooming Mill has dropped from 16,000 to 7,000 tons while that of No. 4 Slabbing Mill has risen from 33,000 to 62,800 tons. The changes have obviously had much more than an incidental effect in terms of jobs as well as production.

Without desiring to add to the agreement of the parties but merely to construe and apply what they have agreed upon, it seems to me that the new facilities they contemplated consist of premises, or substantial items of machinery or equipment not previously used in the Company's operations which when put into use have the effect of directly causing the displacement of employees in previously established facilities. This is compatible with the obvious purpose of Section 22. It stresses the superior right of employees facing loss of jobs because of technological changes of this kind as compared with others whose jobs are not endangered but who see an opportunity of improving their job status.

This contract provision represents a restriction on Management as well. It may not man new facilities merely as it sees fit, and while on one hand it deprives some employees of a windfall or special benefit it is apparent that the parties in agreeing to include this provision in their contract deemed it to be more desirable to protect those facing the loss of their jobs.

This provision concerning the manning of new facilities is now included in numerous agreements between this Union and other steel companies, and there have

been several arbitration awards on the subject. Suffice it to say that although there were awards cited which are in accord essentially with the ruling of this award, none were pointed out in which a different conclusion was reached.

Since the issue submitted by the parties is being decided in the affirmative, the slotting options referred to in paragraph 5a of the parties' letter of October 20, 1966 are now open to the Union in accordance with the stipulations of that paragraph.

AWARD

The new soaking pits and servicing cranes in the No. 4 Slabbing Mill Department constitute "new facilities" within the meaning of Article VII, Section 22 of the April 6, 1962 Collective Bargaining Agrement, as amended June 29, 1963, and the Company did not violate Sections 3, 4, 5, 6, and 13 of Article VII when it transferred employees to be displaced from the No. 1 Blooming Mill Department, as a result of the installation of these facilities, into the Heating Sequence of the No. 4 Slabbing Mill Department pursuant to the provisions of Article VII, Section 22.

Dated: November 25, 1966

/s/ David L. Cole

David L. Cole, Chairman
Board of Arbitration