

IN THE MATTER OF ARBITRATION)
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CLEVELAND-CLIFFS STEEL LLC)
)
)
and)
)
)
UNITED STEEL, PAPER AND FORESTRY,)
RUBBER, MANUFACTURING, ENERGY,)
ALLIED INDUSTRIAL AND SERVICE)
WORKERS INTERNATIONAL UNION)

Case PW-2025-03

Case 155

Rick Samson, Esq. & Kerry Davidson, Esq., for the Employer
Jacob Cole, for the Union
Before Matthew M. Franckiewicz, Arbitrator

OPINION AND AWARD

This arbitration proceeding involves whether laid off employees from the Company's Riverdale, Illinois facility have the contractual right to displace contractors performing non-core functions at the Company's Indiana Harbor East facility.

A hearing was held on September 5, 2025 at Hammond, Indiana. Both parties called, examined and cross examined witnesses, and offered documentary evidence. The Parties provided oral summations at the conclusion of the hearing.

Contract Provisions Involved

From the September 1, 2022 Basic Labor Agreement:

ARTICLE ONE - AGREEMENT

Section A. Parties to the Agreement

1. This Agreement, dated as of September 1, 2022 for the Employees of Cleveland-Cliffs Steel LLC (the Basic Labor Agreement, BLA, or the Agreement), is between Cleveland-Cliffs Steel LLC (or the Company as further defined below) and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, or its successor (the Union or USW or United Steelworkers) on behalf of the Employees of the Company (as defined in Article Two, Section A (Coverage) at both facilities in East Chicago, Indiana; Cleveland, Ohio; Warren,

Ohio; Riverdale, Illinois; Burns Harbor, Indiana; Conshohocken, Pennsylvania; Coatesville, Pennsylvania; Steelton, Pennsylvania; Virginia, Minnesota; and Weirton, West Virginia.

ARTICLE EIGHT - EARNINGS SECURITY

Section A. Employment Security

2. Layoff Minimization Plan

The Company agrees that, prior to implementing any layoffs, it shall review and discuss with the Union:

- a. documentation of a clear and compelling business need for the layoffs (Need);
- b. the impact of the layoffs on the bargaining unit, including the number of Employees to be laid off and the duration (Impact); and
- c. a Layoff Minimization Plan which shall contain at least the following elements:
 - (1) a reduction in the use of Outside Entities;
 - (2) the elimination of the purchase or use of semi-finished and hot-rolled steel from outside vendors that can be reasonably produced by the Company;
 - (3) the minimization of the use of overtime;
 - (4) a program of voluntary layoffs;
 - (5) the use of productive alternate work assignments to reduce the number of layoffs; and
 - (6) a meaningful program of shared sacrifice by management, including senior management.
 - (7) any plan suggested by the Local Union to create the opportunity for Employees to exercise seniority to bump junior Employees on jobs within a pool of sufficient Grade 1 positions to provide meaningful protection from long term layoff of senior Employees.

Section D. Interplant Job Opportunities

1. An employee with more than two (2) years of Continuous Service who is continuously on layoff for at least sixty (60) days and not expected to be recalled

within sixty (60) days, shall be given priority over new hires and probationary Employees for permanent job vacancies at other than his/her plant as described below:

- a. The Employee must file with his/her home plant, on a form provided by the Company, a written request for such transfer specifying the other plant or plants at which he would accept employment.
 - b. Employees who apply shall be given priority in the order of their Continuous Service (the earlier date of birth to control where such service is identical), provided the Employee has the necessary qualifications to perform the job. In determining qualifications, the Employee shall be treated as if the job were an opening at his/her home plant.
 - c. An Employee laid off from his/her plant who is offered and accepts a job at another plant, will have the same obligation to report for work there as though s/he were a laid-off Employee at that plant. During his/her employment at that plant, s/he will be subject to all the rules and conditions of employment in effect at that plant. S/he will be considered as a new Employee at that plant and therefore such Employee's Plant Service shall be defined in accordance with Article Five Section E.3.c.
 - d. An Employee shall be deemed to reject such job if s/he does not affirmatively respond within five (5) days of the time the offer is made, which offer shall be directed to his/her last place of residence as shown on the written request referred to in Paragraph (a) above.
 - e. An Employee who accepts employment at another plant under this Section will continue to accrue Plant Service for seniority purposes at his/her home plant in accordance with the applicable seniority rules for a maximum period of six (6) months from the date of transfer. If within six (6) month period, s/he is recalled to work at his/her home plant and s/he elects to return, his/her Continuous Service for seniority purposes at the other plant will be canceled. If s/he elects to remain at the other plant, his/her Continuous Service for seniority purposes at his/her Home plant will be canceled.
 - F. When an Employee is recalled to his her home plant, the Company may require the Employee to remain at such other plant for the calendar week following the calendar week during which such recall occurs.
2. An Employee who accepts a job at another plant more than 100 miles from his/her home plant will receive a relocation allowance of \$5000 when they relocate their permanent residence.

[Letter of Understanding dated September 1, 2022]

This will confirm the understandings reached in conjunction with the negotiations of the Basic Labor Agreement dated September 1, 2022.

- Notwithstanding any local understandings to the contrary, the Company may contract out non-core functions limited to, janitorial, mail activities, landscaping, snow removal, garbage and trash removal, railroad track repair and general plant housekeeping, which is not directly associated with the general labor work on a production facility.
- The Parties agree that any incumbent in the jobs listed above, will continue to perform such work until such time as the incumbent executes a successful bid to a permanent vacancy in the plant. Additionally, in the case of a lay-off situation, Employees shall be assigned to such work (if being performed) before being laid-off.
- In addition, this understanding does not waive the Company's obligations under Article Two Sections F.5 and 8.

* * *

LETTER OF UNDERSTANDING RIVERDALE LOCAL 9481 ACCRETION:

The United Steel Workers, Locals 1010 and 9481, and ArcelorMittal USA, Inc. agree to accrete the bargaining unit represented by Local 9481 into the P&M bargaining unit represented by Local 1010 at the Indiana Harbor East Plant, East Chicago, Indiana (see attached listing of Local 9481 employees). The Parties also agree to the following conditions, which will remain in effect beyond the expiration of the current Basic Labor Agreement.

1. Riverdale employees will remain on the Riverdale payroll system following accretion into Local 1010. In the event a Riverdale employee transfers to an Indiana Harbor East job, he/she will remain on the Riverdale payroll system until such time as the payroll systems are integrated.
2. All overtime practices, agreements and/or understandings of any kind currently in effect at Indiana Harbor East or that may arise in the future shall not apply to Riverdale employees. Similarly, all overtime practices, agreements and/or understandings of any kind currently in effect at Riverdale or that may arise in the future shall not apply to Indiana Harbor East employees.
3. Riverdale employees will remain on their benefits and pension plans, even after transferring in the future to Indiana Harbor East. Indiana Harbor East employees will remain on their benefits and pension plans, even after transferring in the future to Riverdale.

4. Travel pay will not be paid to Riverdale employees working at Indiana Harbor East or Indiana Harbor East employees working at Riverdale under any circumstances.
5. Riverdale contracting out agreements will not be altered or affected in any way by this Accretion Agreement. In addition, Indiana Harbor East contracting out agreements will not be applicable to Riverdale. In the event of a contracting out dispute at Riverdale, Indiana Harbor East facilities shall not be cited or referred to as a basis for resolving the dispute. In the event of a contracting out dispute at Indiana Harbor East, Riverdale facilities shall not be cited or referred to as a basis for resolving the dispute.
6. The Union agrees not to contend that vacuum service work should be performed by trucks or operators from Indiana Harbor East.
7. Riverdale practices and local conditions will not be applicable to Indiana Harbor East, and Indiana Harbor East practices and local conditions will not be applicable to Riverdale.
8. Employees will continue to be covered under the Riverdale safety programs until permanently transferred. Riverdale employees, who bid on permanent vacancies at Indiana Harbor East, will be issued appropriate Indiana Harbor East PPE, which they must return if they do not complete transfer. Indiana Harbor East employees, who bid on permanent vacancies at Riverdale, will be issued appropriate Riverdale PPE, which they must return if they do not complete transfer.
9. Riverdale employees will be considered as Local 1010 members on their Riverdale seniority lists. Union dues will be processed as Local 1010 for hours worked, whether at Riverdale or Indiana Harbor East.
10. Job bidding will be handled in the following manner between the Indiana Harbor East location, and the Riverdale locations:

Job opportunities for bidding will be posted simultaneously at Riverdale and at Indiana Harbor East as they have in the past at each location, using the originating location agreed to bidding procedures. Employees from the originating location where the job opportunity exists shall be given first preference on the list.

When bidding to fill permanent vacancies at Indiana Harbor East, the senior bidder at Riverdale shall be identified using the full continuous service date of all bidders from Riverdale. When bidding to fill permanent vacancies at Riverdale, the senior bidder at Indiana Harbor East shall be identified using the full plant continuous service date of all bidders from Indiana Harbor East.

Once an Indiana Harbor East employee is awarded a job at the Riverdale location, that Employee will carry his/her full continuous service with him/her for seniority applications at the Riverdale location. Once a Riverdale employee is awarded a job at the Indiana Harbor East location, that employee will carry his/her full continuous

service date with him/her for seniority applications at the Indiana Harbor East location.

11. Any matter not specifically covered by this Understanding will remain unchanged, unless the Parties agreed to do so via mutual agreement.
12. Nothing in this Accretion Understanding is intended to compel the scheduling of overtime, or to serve as a guarantee of hours of work, and is made without prejudice to the position of either party in any other situation or grievance.
13. No grievance(s) shall be filed by any employee(s) as a result of this Accretion Understanding, except a grievance alleging a failure on the part of the Company to abide by the terms of this Accretion Understanding.

Date Signed 7/15/09

Effective Date 7/13/09

* * *

MEMORANDUM OF AGREEMENT REGARDING THE IDLING OF RIVERDALE:

This Agreement is made by Cleveland-Cliffs Steel LLC, (hereinafter referred to as the "Company"), and the United Steel, Paper and Forestry, Rubber, Manufacturing and Energy, Allied Industrial and Service Workers International Union and its affiliated Local Union 1010 (hereinafter referred to as the "Union" or "USW").

This Agreement governs the idling of the Company's Riverdale Plant located in Riverdale, Illinois, and establishes and defines the rights and benefits applicable to and binding upon Employees covered by the Basic Labor Agreement between the Company and the Union, currently dated September 1, 2022 (the "BLA"), and which remains in effect until September 1, 2026. This Agreement satisfies the provisions included under Article 8 of the BLA.

1. Effective Date and Duration of Agreement

The effective date of the idle of the Plant shall be on June 30, 2025 (the "Effective Date") which shall also be deemed the Effective Date of this Agreement. This Agreement shall remain in effect until either there are no Riverdale employees on layoff status or there are no longer any Riverdale employees with unbroken continuous service (the "Duration").

2. Terms and Conditions of the Idling

A. Production

Should production be resumed at the Plant, the Parties will meet.

B. Post Idle Staffing

A total of twelve (12) Employees will be retained to perform certain activities associated with environmental compliance and any equipment or infrastructure monitoring as determined by management.

- 5 MTMs (inclusive of the Plant Safety Coordinator)
- 5 MTEs
- Local Grievance Committeeperson
- Plant Training Coordinator

These staffing needs may be adjusted based on need. Any changes will be discussed with the Union in advance of a change taking place. Employees retained will be paid their Regular Rate of Pay (Base Rate plus Incentive) for the Employee's incumbent rate (based on the last two-year average). The provisions of Article Five, Section 10.e. will not apply to Employees while being retained at the Plant should they be awarded a permanent vacancy at Indiana Harbor at any point in the future.

C. Unused 2025 Vacation Weeks

Employees laid off will be permitted to move one (1) week of vacation to the period prior to the layoff date, June 30, 2025. Remaining unused vacation will be paid out in a lump sum by December 31, 2025.

Employees direct assigned to Indiana Harbor East under the provisions of Section J below will be subject to vacation scheduling practices in place at Indiana Harbor East. The Company will make a good faith effort to honor 2025 vacation that may have already been scheduled by Employees at Riverdale.

D. Outside Entities and Non-Core Functions

If the need for contracting out arises, the Company will follow the normal contracting out procedures currently in place at the Plant.

Any non-core functions described in the BLA side letter that may be performed at the Plant after the Effective Date will be offered to Employees on a permissive basis based on seniority before being laid off.

E. Purchase or use of Semi-Finished Steel from Outside Vendors

The Company agrees not to purchase or use semi-finished and hot-rolled steel from outside Cliffs.

F. Minimization of Overtime

The Company will provide the Union with a report of overtime hours worked by any employees retained after the Effective Date for review.

G. Shared Sacrifice

The Parties have discussed shared sacrifice by management and senior management.

H. Supplemental Unemployment Benefits

There are 12 Employees with less than two (2) years of service as of 06/30/2025. The Company agrees to provide these Employees with twenty-six (26) weeks of Weekly SUB Pay Benefits and six (6) months of healthcare while on layoff, provided all other eligibility requirements are met.

I. Retirement Incentive

The Company will provide *certain Employees in the Production and Maintenance units at Riverdale and Indiana Harbor East a one-time lump sum payment of \$10,000 as an incentive to retire. To be eligible, Employees must be active Employees on June 30, 2025, and their Age plus a minimum of 15 years of Company Continuous Service add up to 85 or more when they retire.

1. Riverdale Employees: This payment is in addition to any Pension Enhancement Payment (PEP) payment a Riverdale Employee may otherwise be eligible to receive had they retired under the terms of the PEP Side letter dated September 1, 2022, which will also be paid to the Employee at the time of retirement.
2. *Indiana Harbor East Employees: The total number of retirement incentive payments that will be provided to eligible Craft Employees who are fully qualified MTMs and MTEs will not exceed the number of Riverdale Employees in each respective Craft who transfer to Indiana Harbor as provided under paragraph J.1, below. The total number of retirement incentive payments that will be provided to non-Craft Employees will be limited to 50. Offers will be made to senior employees electing to retire first.
3. Eligible Employees may elect to retire anytime between July 1, 2025, and September 1, 2025.
4. Irrespective of the above, in no event will retirement incentive payments be made to Employees if by doing so there are insufficient Employees available to efficiently operate the Indiana Harbor East facility or a department within the facility.

J. Interplant Assignments, Transfers, Interplant Job Opportunity Procedure

Riverdale Employees will continue to be afforded the opportunity to fill permanent vacancies at the Indiana Harbor East facility by way of the existing 2009 Riverdale Local 1010 Accretion Agreement under the following conditions;

1. Except for the Craft Employees referenced in Section 2B above, who will be retained for post-idle staffing, the Company will make the opportunity available to all fully qualified incumbent Craft employees to transfer on or following the Effective Date to Indiana Harbor East and be direct assigned to the Field Forces Department to supplement existing Indiana Harbor East Craft employees in operating units at that Plant. Those directly assigned shall retain their Riverdale continuous service date for seniority applications at Indiana Harbor East and will fill permanent vacancies as they become available. Employees under a prior bidding restriction as a result of a previous bid acceptance or reversion will have that restriction removed on a one-time basis to allow these Employees the opportunity to exercise their seniority to bid on permanent vacancies. Additionally, Employees currently in a Tier 1 Maintenance Technician Trainee Program with less than two (2) training modules remaining, along with welding, will be provided the opportunity to continue in the existing program to complete those modules and any other program requirements to successfully advance to full Maintenance Technician status.
2. All other non-Craft Employees will follow the established bidding process. Instead of posting job opportunities at the Riverdale facility, laid off Employees will be contacted by the Local 1010 Union, who will have sole responsibility for disseminating the job postings and related information to the laid-off Employees. All bids must be submitted to the Company in accordance with the existing established rules at Indiana Harbor East. If vacancies remain after completing this process, the most senior laid-off Employee(s) on the Riverdale seniority list will be recalled from layoff and advised of their work schedule and reporting requirements. Upon reporting for work, Employees shall retain their Riverdale continuous service date for seniority applications at Indiana Harbor East. The rights set forth in this Paragraph 2 shall expire when this Agreement expires pursuant to the terms of Section I above, i.e., the Duration. No Employee shall, at any time, have the right to refuse recall from layoff.
3. Riverdale Employees who bid and are awarded permanent vacancies at Indiana Harbor East will receive their Regular Rate of Pay (Base Rate plus Incentive) for the Employee's incumbent rate

(based on the last two-year average), or the new Regular Rate of Pay for the new job, whichever is highest, for two years from the date of transfer. This provision will not apply to any Craft employees who may be awarded non-Craft permanent vacancies.

4. Riverdale Employees will have the same obligation to report for work at Indiana Harbor East as through they were a laid-off Employee at that Plant. During employment at Indiana Harbor East, they will be subject to all the rules and conditions of employment in effect at the Plant.
 5. The Parties will also utilize the agreed-upon language for Interplant Job Opportunities included in Article 8, Section D, of the BLA. The Company will waive the sixty (60) day period for laid off Employees.
3. **Regular Meetings**
- The parties agree to meet as needed following the layoff date.
4. Nothing contained in this Agreement is intended to constitute a base force, a fixed crew size, or a guaranteed staffing level. Nothing in this Agreement is intended to compel the scheduling of overtime or to serve as a guarantee of hours of work and is made without prejudice to the position of either party in any other situation.
 5. **Grievances:** No grievance(s) shall be filed or processed by the Union as a result of the action taken by the Company pursuant to the provisions of this Agreement, except a grievance alleging a failure on the part of the Company to abide by the terms of this Agreement. In addition, no grievance(s) shall be filed or processed by the Union for any disputes related to the administration of the job posting process as referenced in Paragraph J.2. above.
 6. By entering into this Agreement, precedent will not be established, and this Agreement will not be prejudicial or relied upon to any course of action either party may choose in the future. This Agreement resolves all outstanding maintenance-related grievances filed by Local 1010 associated with the idling of the Riverdale Facility, inclusive of grievances withdrawn on June 9, 2025 at Indiana Harbor East in exchange for retaining and transferring all the Riverdale Craft employees to IHE prior to otherwise being laid off, and any issues surrounding them.

The Facts

This case involves two facilities (Riverdale and Indiana Harbor East) of what is now Cleveland-Cliffs, and tangentially a third (Indiana Harbor West), as well as the Union members at those locations. A brief geographical and historical perspective is in order.

The Riverdale facility, located in Riverdale, Illinois, was at one time owned by Acme Steel. ISG acquired the facility in bankruptcy, and later ArcelorMittal USA became the owner. The former ArcelorMittal is now Cleveland-Cliffs. Riverdale employees were represented by USW Local 9481 until 2009 when, as the Riverdale Local 9481 Accretion Agreement quoted above indicates, USW Local 1010 became their representative.

The Indiana Harbor East facility in East Chicago, Indiana was owned by Inland Steel, which became Ispat-Inland. This Company merged with ISG to become Mittal Steel, and later ArcelorMittal. Since 2020 the operation has been owned by Cleveland-Cliffs. At all times material, USW Local 1010 has been the bargaining representative for Indiana Harbor East employees.

While not directly involved in the current case, the Indiana Harbor West plant, also located in East Chicago, Indiana, was originally owned by Jones & Laughlin, later Republic Steel, then LTV, and thereafter ISG, and ultimately as part of Cleveland-Cliffs. Indiana Harbor West is adjacent to Indiana Harbor East, separated by a canal. Indiana Harbor West employees have long been represented by USW Local 1011.

There is no dispute that the Riverdale facility has been idled and Riverdale employees were laid off around June 2025. There is also no dispute that since the idling of Riverdale, Cleveland-Cliffs has been using contractors to perform "non-core" functions at Indiana Harbor East, which is what the current grievance protests.

* * *

Although the numbers of employees fluctuated over time, Indiana Harbor East was always a much larger operation, and Local 1010 had 8 or 10 times as many members as Local 9481. Local 1010 had a reputation as a strong and militant organization. In 2008 or 2009, Local 9481 President Gary Bender told Local 1010 President Tom Hargrove that he wanted his Local to become part of Local 1010. The June 30, 2009 Letter of Understanding Riverdale Local 9481 Accretion (quoted above) ultimately resulted. With the Accretion Agreement, Local 9481 effectively ceased to exist. Its Board dissolved, its officers gave up their offices, and its treasury was turned over to Local 1010. Riverdale became a "department" of Local 1010.

According to Tom Hargrove, a motivating factor for Gary Bender in pursuing the jointure was job protection in the event of a shutdown. Hargrove stated that some Indiana Harbor East employees feared loss of job security in the event of an accretion, so that employees at each location were given first preference on job bids at that location.

The 2009 Accretion Agreement was signed by Bender and Hargrove as well as two other representatives on behalf of the Union, and by Management representatives from both Riverdale and Indiana Harbor East.

After the accretion each facility continued to have its own plant manager, and as far as I can tell, each plant continued to be managed separately as in the past.

According to Hargrove, there are separate plant level committees, e.g., safety at both Riverdale and Indiana Harbor East. There are also plant level practices regarding non-core work.

Indiana Harbor is an integrated steelmaking facility, producing slabs and coils for automobiles, construction and appliances. Riverdale is a compact strip mill producing hot rolled carbon steel ultimately used in

automotive and other products. The production processes are different. Management and grievances are handled separately at each facility. There is no back and forth interchange of employees between Indiana Harbor East and Riverdale,

Riverdale and Indiana Harbor East have separate Layoff Minimization Plans (Employer Exhibit 4). Both plans largely track Article Eight Section A.2 of the BLA, and except for names and the numbers of affected employees, the two plans are nearly identical.

In connection with the idling of Riverdale, the Parties entered into the June 30, 2025 Memorandum of Agreement regarding the Idling of Riverdale (quoted above). The Union's proposal for the agreement included the following:

I. Reduction in the Use of Outside Entities

A) The Union proposes the immediate reduction or elimination of Outside Entities performing bargaining unit work in all Cleveland-Cliffs departments represented by Local 1010.

This includes all non-core work, such as:

- Janitorial and housekeeping services
- Landscaping and snow removal
- Track repair and rail inspection work
- Fabrication and light maintenance tasks
- PLS, Bulk, and Scaffold services

This proposal was not included in the Idling Agreement.

In that same context, the Company proposed that the Idling Agreement would resolve all outstanding grievances related to the idling of Riverdale. This proposal also was not included in the Idling Agreement.

Issue

The Employer would phrase the issue as:

Did the Employer violate the Letter of Understanding and/or BLA by not displacing outside entities performing non-core functions at Indiana Harbor East, to allow employees laid off at Riverdale pursuant to the Idle Agreement to perform such tasks. If so what should be the remedy.

The Union would define the issue as:

Did the Employer violate the Accretion Agreement and the BLA by not allowing laid off Local 1010 members to perform non-core functions, and if so what should be the remedy.

Position of the Union

The Union asserts that the Company has violated the Riverdale Accretion Agreement and the September 1, 2022 Non-Core Letter of Understanding. It emphasizes that former Local 9481 members gave up their autonomy as an independent Local (officers, Local office) to become "full members" of Local 1010, but did not lose their seniority. It views protection of the contract at Indiana Harbor East as the "heart of the bargain." It insists that employees are entitled to non-core protections regardless of location.

It contends that the Accretion Agreement made Riverdale employees part of the Local 1010 bargaining unit, and that if a Local 1010 member is on layoff the Employer cannot use contractors for non-core work. It views seniority protection and security in the event Riverdale ever shut down as the heart of the agreement. It argues that if nothing more were involved than a change in representation, there would have been no need for the Company to be involved at all.

It submits that the Idling Agreement does not waive or rewrite the Accretion Agreement.

It reasons that separate overtime lists and separate practices do not mean that Indiana Harbor East and Riverdale are separate units, and that carve outs in the Accretion Agreement are the exception that proves the rule, and if the Parties intended to exclude Riverdale employees from the protection of the Non-Core Letter of Understanding, they would have said so. It regards Riverdale members as entitled to the same protections of the Non-Core Letter of Understanding as any other Local 1010 members: "once accreted, always accreted."

The Union views the Company's position as reducing the Accretion Agreement to preferred bidding rights. It reads the Riverdale Idle Agreement as relating to layoff minimization but not waiving or altering the Accretion Agreement or the Non-Core Letter. It maintains that the carve out provisions in the Accretion Agreement were intended to retain day-to-day contracting out practices at Riverdale separate, while both facilities were operating, but not to remove the Non-Core protections. It regards the Employer as attempting to gain in arbitration what it did not achieve in negotiation.

It considers that the Employer violated these agreements by using contractors on non-core functions while Riverdale employees are on layoff.

It asks that the Company be directed to cease and desist from using contractors while members are on layoff, and to make the affected employees whole.

Position of Management

The Company assigns the burden of proof to the Union.

The Employer regards the Union as trying to add terms to the Basic Labor Agreement and the Accretion Agreement, and to ignore their historical application. It asserts that under the 2025 Riverdale Idling Memorandum of Agreement, the rights and benefits of Riverdale employees were established, the employees got the benefits of the bargain and now the Union wants to have its cake and eat it too. It notes that nothing in the Accretion Agreement references the Non-Core Letter of Understanding, and it views the Union as improperly attempting to conflate the two agreements.

It notes the separate inclusion of both facilities in Article One of the BLA. It characterizes the two facilities as separate and unique in ownership, production methods and management, with no interchange of employees. It points to the separate layoff minimization plans, and it deems that the rights of employees at Riverdale were addressed in the Idling letter.

The Company observes that Article Eight of the BLA addresses layoffs, as relating to single plant operation. It asserts that the Idling Agreement closed all open items, including the right to fill vacancies at Indiana Harbor.

It contends that the separate layoff minimization plans show that the Parties viewed the two locations as separate. It emphasizes that while the Accretion Agreement provides for preferred bidding rights, it is silent as to layoffs, closings and non-core work, and it notes that under Paragraph 4 of the Accretion Agreement, anything not covered remains the same. It asserts that under the Accretion Agreement the two locations remain separate facilities and retain their own characteristics.

The Company treats the Accretion Agreement as providing a change in Union representation and preferential bidding rights, and it argues that the Union never sought to have the two facilities treated as one. It faults the Union as trying to gain in arbitration what it did not achieve in negotiation.

It asks that the grievance be denied.

Analysis and Conclusions

At the outset of this discussion, I must address the meaning of the term "bargaining unit." This is because, of all the pages of contractual language quoted above, the single sentence that is most critical to the Union's case is the very first sentence of the 2009 Accretion Agreement:

The United Steel Workers, Locals 1010 and 9481, and ArcelorMittal USA, Inc. agree to accrete the bargaining unit represented by Local 9481 into the P&M bargaining unit represented by Local 1010 at the Indiana Harbor East Plant, East Chicago, Indiana (see attached listing of Local 9481 employees).

It is completely clear from Article One Section A.1 of the Basic Labor Agreement, however, that there are not, nor were there ever, separate Local 1010 and Local 9481 bargaining units. Under the Basic Labor Agreement there is only one bargaining unit, with the International Union as the bargaining representative. It is a multi-plant, multiple location bargaining unit, but it is a single bargaining unit, and not an aggregation of separate bargaining units. The Accretion Agreement could not integrate a Local 1010 bargaining unit and a Local 9481 bargaining unit into a single bargaining unit since they were already parts of a single bargaining unit.

With 11 facilities spread over half the continent, it is inevitable that local understandings, agreements and practices specific to each location will arise. Nonetheless, there is no such thing as a Local 9481 bargaining unit or a Local 1010 bargaining unit. The Parties to the 2009 Accretion Agreement operated from a false premise that there were separate bargaining units at each location. They may have understood or intended that some consequences automatically followed from what they perceived as the joining of what they misunderstood as separate bargaining units, but what those understandings were is impossible to determine,

except from the language of the Accretion Agreement itself. Since the first sentence of the Accretion Agreement was founded upon a misunderstanding, I cannot conclude that any consequences at all necessarily flowed from this sentence.

Prior to the signing of the Accretion Agreement in 2009, laid off employees at Riverdale would have had no right to displace contractors at Indiana Harbor East. Neither Party to this case chose to offer into evidence the Basic Labor Agreement then in effect between ArcelorMittal and the USW. So, on this record, I cannot say whether there was anything in that agreement equivalent to the September 1, 2022 Non-Core Letter of Understanding. If not, Riverdale employees surely had no claim to replace outside contractors at a separate facility. If there was language in the ArcelorMittal-USW BLA comparable to the current September 1, 2022 Letter of Understanding, it seems nonetheless apparent that such a provision did not afford employees at any one plant the privilege to displace contractors at a different location, since as far as I am aware (and the Union has cited no instance to the contrary), the Non-Core Letter of Understanding has never operated to afford employees the right to displace contractors other than at their home plants.

If indeed there was such a provision in the ArcelorMittal-USW BLA, it seems astonishing that the Parties to the Accretion Agreement would not mention it at all in the Accretion Agreement, if indeed their intent was to create such extraterritorial displacement rights to employees from either Riverdale or Indiana Harbor East.

The Union's position that the first sentence of the Accretion Agreement automatically merged the two facilities, as if Riverdale had been physically relocated and reincorporated into the Indiana Harbor East operation does not withstand scrutiny. The most obvious effect of melding two plants into one would be that there would be only a single seniority roster, and all employees from the formerly separate plants would have equal bidding rights on any opening regardless of location. As Tom Hargrove indicated, employees from at least one of the two facilities would not have stood for such a proposition, and the Accretion Agreement itself specifies that incumbents at each plant have first preference at their home plant.

While that point is specifically addressed in the Accretion Agreement, the Union's position is that but for this specific language, the Accretion Agreement would have automatically treated the two physically separate plants as if they were now a single location. As the Union argues, it regards the specific provisions in the Accretion Agreement as the exceptions that prove this rule that the two plants had now become one. The Union offers no example of how this principle would apply, other than with respect to displacement of contractors at either facility by employees from the other location.

In any event, the Union's position that the Accretion Agreement changes everything, except where the Accretion Agreement itself specifies otherwise, is at odds with the language of the Accretion Agreement itself. As I indicated earlier, I am unable to determine what the signatories to the Accretion Agreement meant or intended from the opening sentence of that Agreement. Instead their intent is best ascertained from the rest of the Accretion Agreement.

Contrary to the Union's claim that the specific terms of the Accretion Agreement are exceptions or carve outs from a general proposition that the Accretion Agreement effectively merges the two facilities into one, Paragraph 11 of that Agreement specifies:

11. Any matter not specifically covered by this Understanding will remain unchanged, unless the Parties agreed to do so via mutual agreement.

This is exactly the opposite of the Union's position. According to Paragraph 11, the Accretion Agreement changes nothing, except what it specifically provides. And of course, there is nothing in the Accretion Agreement that specifically provides for a right to displace non-core contractors at the other location.

If anything, the Accretion Agreement suggests the opposite. As noted, the record does not indicate whether there was a Non-Core Memorandum of Understanding in effect in 2009. If so, the second sentence of Paragraph 5 of the Accretion Agreement ("In addition, Indiana Harbor East contracting out agreements will not be applicable to Riverdale.") indicates that the provision would not grant Riverdale employees the right to displace contractors at Indiana Harbor East. If there were an agreement in effect precluding the Company from using non-core contractors at Indiana Harbor while Indiana Harbor employees were on layoff, such agreement would not benefit Riverdale employees. The overall effect of Paragraph 5 is to reinforce that the right of a laid off employee to displace non-core contractors applies only at the employee's home plant.

For these reasons, I conclude that the 2009 Accretion Agreement, read in conjunction with the September 1, 2022 Non-Core Letter does not provide laid off Riverdale employees the right to replace non-core contractors at Indiana Harbor East, not preclude the Company from utilizing non-core contractors at Indiana Harbor East while Riverdale employees are laid off.

There is in addition, a practical consideration that counsels against the Union's interpretation of the Accretion Agreement. In the event of a layoff at both Riverdale and Indiana Harbor East, which employees would have the right to displace non-core contractors at Indiana Harbor East? This would create the same sort of intra-Union strife that would arise in bidding situations, and that prompted the inclusion of Paragraph 10 in the Accretion Agreement.

Accordingly, I conclude that the grievance should be denied. In view of this conclusion, I need not address the Employer's argument that the Union's unsuccessful attempt to negotiate a limitation on use of non-core contractors into the Idling Agreement implies that the Union did not otherwise possess the right to restrict the use of contractors at Indiana Harbor.

Award

The grievance is denied.

Issued September 12, 2025

Matthew M. Franckewing