

11-22-1965

# United States Steel Corporation Sheet and Tin Operations Irvin Works and United Steelworkers of America Local Union 2227

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## Recommended Citation

Garrett, Sylvester, "United States Steel Corporation Sheet and Tin Operations Irvin Works and United Steelworkers of America Local Union 2227" (1965). *Arbitration Cases*. 193.  
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BOARD OF ARBITRATION

Case USS-5212-S

November 22, 1965

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION  
SHEET AND TIN OPERATIONS  
Irvin Works

and

Grievance Nos. SI-64-103;  
-106

UNITED STEELWORKERS OF AMERICA  
Local Union No. 2227

Subject: Contracting Out.

Statement of the Grievance: Grievance SI-64-103

"Contracting out Machine Shop work. Shipping out Hot Strip table rolls and Roughing Mill spindles to be processed by outside machine shops other than Homestead Works."

This grievance was filed in the First Step of the grievance procedure August 5, 1964.

Grievance SI-64-106

"Contracting out Machine Shop work by shipping out Cold Reduction, #5 Stand Roll End Couplings, to be machined by shops other than Homestead Works."

This grievance was filed in the First Step of the grievance procedure August 13, 1964.

2.

USS-5212-S

Contract Provision Involved: Section 2 of the April 6, 1962  
Agreement, as amended June 29, 1963.

Statement of the Award: The grievance is denied.

BACKGROUND

Case USS-5212-S

Underlying this case are two grievances filed by employees in the No. 3 Machine Shop of the Central Maintenance Division at Irvin Works alleging that the Company violated Section 2 of the April 6, 1962 Agreement, as amended June 29, 1963, by contracting out machining and repair of various mill parts.

In the background of this grievance lingers grievants' dissatisfaction with the establishment of a Central Machine Shop at Homestead Works geared to do major Machine Shop work for the Monongahela Valley Mills. When the Homestead Machine Shop enlarged its operations, some Machinists were transferred from Irvin to Homestead; a few others took positions at the Research Laboratory. The record indicates that, since Homestead commenced full operations, the number of Machinists at Irvin has decreased from 72 to 55.

In July and August of 1964, the Company experienced maintenance problems at the 80" Hot Strip Mill and decided to institute a new maintenance program designed to improve the performance of table rolls. Instead of repairing worn-out table rolls, a few at a time, the Company took out whole sections of table rolls and replaced them with sections of rebuilt table rolls. As a result, it lacked sufficient machine time on a welding machine and horizontal boring mill to "get a jump" on the work, and it contracted out the rebuilding of about 58 table rolls, representing about 10% of all rolls in the program.

At the same time universal half couplings and spindles also required repairs. Since the Machine Shop was already occupied with the table roll program, approximately 12 spindles and 12 universal half couplings were sent to outside contractors. Repairs of couplings had been sub-contracted before; table rolls and spindles always have been rebuilt in the Irvin Machine Shop.

After the Company had increased operating turns of the welding machine and the horizontal boring mill, it put the Machine Shop on a six-day week and also recalled a few Machinists from Homestead.

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In an attempt to settle the grievance at the Second Step level by a demonstration of good faith, the Superintendent of the Central Shops prepared and signed the following statement;

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"In reviewing the conditions that gave rise to these grievances, Management desires to set forth for the employees concerned that it is not the intent or desire of Management to deprive Machinists of any work which they are capable of performing. If additional work should be needed to maintain a sound operation, opportunity and consideration will be given to employees at Irvin Works Machine Shop to perform the work. Irvin Works Management wants it clearly understood that the interest and job security of Irvin Works machinists will not be disregarded in fulfilling the needs of Irvin Works."

In addition, the Third Step Minutes contain the following statement:

"Management's Representative concluded by pointing out that the Machinists in our Shop can usually do work of a better quality, in a shorter time and

"at a lower cost than can the employees of outside contractors or Homestead's Machine Shop. Therefore, the #3 Shop Machinists can sensibly consider that so long as they can maintain this situation, all of the natural economic pressures will be to do as much work in Irvin's Machine Shop as the employees can handle."

The Union's representatives, during these stages of the grievance procedure, demanded that the Company either: 7

1. Guarantee that the Machine Shop remain indefinitely at Irvin Works, or
2. Put all Machinists on a regular six-day week.

In the grievance procedure the Company took the position that the work involved here had been sent out "countless times" since Irvin Works started operations, that "historically Irvin Works had contracted significant quantities of shop work," and submitted documentary proof. The Company also argued that, in order to establish a prior practice of contracting out, it is not necessary to show that the identical items were sent out for repairs; with respect to Machine Shop operations, it suffices to show that similar type of work has been performed by suppliers in the past. 8

#### FINDINGS

The Board has already ruled in Case USS-5072-S that the Experimental Agreement is not literally applicable 9

where equipment is sent out of the mill to a sub-contractor, although the general approach reflected in Section A-1-(b) is useful for present purposes.

Therefore, past practices remain in effect where repair work has been performed within the plant under some circumstances by employees in the bargaining unit, or has been sent out to sub-contractors under other circumstances. There are no factors present in this case which would justify embracing a different basic approach. The Company, in the grievance procedure, has stated clearly its position on contracting out. There is no indication in the record that the Company sent the work to suppliers in order to affect the bargaining unit adversely, rather than to meet a temporary peak load. Machinists in the seniority unit are all fully employed and work considerable amounts of overtime. Finally, contracting out under the circumstances here present was required to initiate a new maintenance program which, once under way, did not require continuing work by outside contractors.

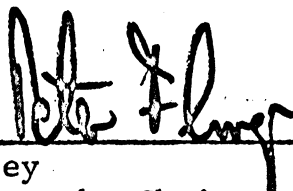
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AWARD

The grievance is denied.

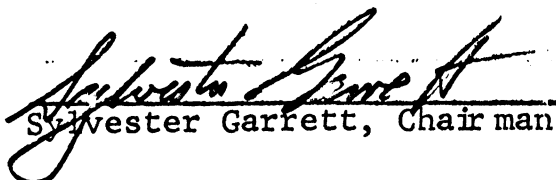
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Findings and Award recommended pursuant to Section 7-J of the Agreement, by



Peter Florey  
Assistant to the Chairman

Approved by the Board of Arbitration



Sylvester Garrett, Chair man