United States Steel Corporation Sheet and Tin Operations Gary Sheet and Tin Works and United Steelworkers of America Local Union 1066

Sylvester Garrett
BOARD OF ARBITRATION

Case No. USC-1919
December 30, 1964

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION
Sheet & Tin Operations
Gary Sheet and Tin Works

and

Grievance Nos. A-64-7; A-64-8

UNITED STEELWORKERS OF AMERICA
Local Union No. 1066

Subject: Seniority - Establishment of New Seniority Unit.

Statement of the Grievance:

Grievance No. A-64-7
"We testers of the Sheet Met Lab maintain that the Co. should add the North Sheet Mill to our promotional chart #72 as an added facility."

Grievance No. A-64-8
"We inspectors of the Sheet & Tin Mill maintain that the Co. should add the North Sheet Mill to our promotional chart #71 as added facilities to the present facilities."

These grievances were filed in the First Step of the grievance procedure December 18, 1963.


Statement of the Award: The grievance is denied.
Testers and Inspectors of the Metallurgical and Inspection Department of the Gary Sheet and Tin Works protest the establishment of a new and separate seniority unit for the new jobs of Tester (J.C. 9), Test Coordinator (J.C. 11), and Inspector (J.C. 13) in the new North Sheet Mill as violating Section 13-B of the April 6, 1962 Agreement, as amended June 29, 1963, and the July 21, 1963 Gary Sheet and Tin Mill Local Seniority Agreement.

In 1961 the positions of Chief Metallurgist and Chief Inspector were combined into one job; its incumbent proceeded to combine supervisory functions in the Metallurgical and Inspection Departments on lower levels also. This reorganization (which has not been completed on a plant-wide level as yet) follows a trend in the steel industry: similar organizational setups can be found at Fairless Works and other mills.

Although the Local Seniority Agreement was renegotiated in 1963, the arrangement of seniority units still reflects the former separation of the Metallurgical and Inspection Departments: the employees are grouped in five seniority units:

**Inspection:**
- #71 - Inspection

**Metallurgical:**
- #72 - Sheet Mill Division
- #73 - Tin Mill Division
- #74 - Development
- #75 - Stainless

Seniority Unit #71 includes all Inspectors of the Metallurgical and Inspection Department with the following promotional sequence:
Employees such as Test Report Clerks, Process Observers, Stencil Testers, Expediters, and Head Metallurgical Testers, are slotted into Seniority Units #72, 73, 74 and 75; those in Seniority Unit #72 perform metallurgical tests on finished sheet and coil product similar to that processed on the new North Sheet Mill. Their promotional chart is as follows:
Construction of the North Sheet Mill began in the latter part of 1962. It is a multi-million dollar installation consisting of a 5-Stand Cold Reduction Mill, a 4-High 80" Coil Temper Mill, a Slitter Line, a Recoil Line, annealing equipment and associated Warehouse and Shipping facilities. According to the Company, it was installed to meet an increasing customer demand for wider and lighter cold rolled product, of uniform and consistent quality as to shape, thickness, surface and metallurgical specifications. The North Sheet Mill occupies a building of its own, some distance north of the 66" Continuous Pickle Line. Inspectors and Metallurgical Testers for the North Mill are headquartered in their own newly constructed building south of the North Sheet Mill Building.

When the new North Sheet Mill commenced operations late in 1963, Management saw an opportunity to install an integrated inspection system. Supervisors were appointed with responsibility both for inspecting and metallurgical testing functions, to be performed by three jobs: Tester, Job Class 9; Test Coordinator, Job Class 11; and Inspector, Job Class 13. The job of Tester combines some of the functions of Seniority Unit #72 jobs Tensile Tester and Metallurgical Tester; the job of Test Coordinator combines some of the functions of Seniority Unit #72 jobs Expediter and Head Metallurgical Tester; the job of Inspector resembles that of the Cold Rolled Sheet Inspector in Seniority Unit #71. No job descriptions and classifications were submitted at the hearing; these were still in dispute between the parties.

Equipment and product in the North Sheet Mill resemble in many respects those of pre-existing units. The inspection system, however, has been changed radically: all inspection functions are performed by employees reporting to the Metallurgical and Inspection Department and have been taken out of the hands of the Operating Department. Employees who now perform these duties in the new Mill have been carefully trained in new methods of inspection necessitated by the high operating speeds and Testers are ready to step up to inspection jobs.
In the old South Mill, on the other hand, each unit has an "operating" inspector as a member of its crew. His work is "backed up" by roving Inspectors of the Metallurgical and Inspection Department and by Testers. For example, one M & I Inspector supplements two Line Inspectors on the cold roll slitter and recoil lines; another one, three or four Line Inspectors on the units of the South Temper Mills.

Shortly before the North Sheet Mill started operations, job openings for the three new jobs were posted. Since the parties had been unable to reach agreement on the seniority status of these jobs, the Company established a new seniority unit for these three jobs unilaterally under Section 13-B of the Basic Agreement. About 31 employees applied; when the working conditions were explained to them, particularly the fact that the jobs, at least initially, would not be covered by an incentive, only 19 decided to transfer. Most of them came from the South Sheet Mill, others were hired "from the gate." Inspection functions in the North Sheet Mill now are performed by about 28 employees.

The Company asserts that it is entitled to establish a new seniority unit under marginal paragraph 211a of Section 13-B of the Basic Agreement which reads as follows:

"In any case in which local agreement cannot be consummated as to the seniority units in which a new job or new jobs are to be placed, Management shall include such job or jobs in the most appropriate seniority unit or, if more appropriate, establish a new seniority unit, subject to the grievance procedure of this Agreement."

The Company also refers to Section 3 of the Local Seniority Agreement which sets forth guidelines for establishment of promotional sequence charts as follows:
"A. Existing promotional sequence charts and any charts hereafter established, shall be maintained on a current basis, through mutual agreement between the Department Superintendent and Grievance Committeeman involved, so as to reflect the following basic objectives:

1. Job progressions which follow logical work relationships so as to provide properly trained employees to fill permanent and temporary vacancies as they occur, and
2. Job progressions which provide opportunity for employees to progress upward with respect to earnings, consistent with '1' above."

According to the Company, the new North Sheet Mill is specifically designed to meet demands of particularly quality conscious customers. This requires new inspection methods geared to the high speeds found on the new units. The Company is convinced that such inspection is possible only if a crew of trained employees is available within the mill, and no need arises to bring in Inspectors and Testers from other departments who are not familiar with the exacting requirements of the product processed in this new facility.

The Company takes the position that the separation of seniority units of metallurgical testing and inspection employees, embodied in the Local Seniority Agreement, reflects an outmoded approach to quality control, which must be modernized by combining these functions in the same department. It holds that a single line of promotion leading from Tester to Test Coordinator to Inspector, will improve performance of testing and inspection functions in the new North Sheet Mill, and implement the spirit of Section 3-A-1 of the Local Seniority Agreement. The establishment of a single seniority unit provides an excellent basis for
training which would be lost if the Company would have to promote or transfer temporarily employees from other departments to this new facility which is one-half mile distant from like facilities.

The Union pointed out that the Company in the past included necessary additional inspection and metallurgical testing employees in established seniority units when new facilities were installed (as Pickle, Electrolytic, and Galvanizing Lines). It suggests that this reflects a past practice of including inspection and metallurgical testing employees, servicing new facilities, in existing seniority units.

The Union also believes that employment security is lessened by establishment of the new seniority unit. Since new facilities can be expected to be installed in the future, the Company soon would diminish the importance of the seniority units now found in the Local Seniority Agreement.

**FINDINGS**

This is one of a series of cases arising from the start-up of the new North Sheet Mill, and involving in one way or another the question of whether or not the North Sheet Mill is a "new" facility or has given rise to "new" jobs within the meaning of different contractual provisions such as Sections 9-C-1, 9-D, 13-B, and 13-N.

It should be made abundantly clear that the background facts recited in this Opinion are stated and considered by the Board only in the context of marginal paragraph 211a of Section 13-B of the Basic Agreement and of the various provisions of the Local Seniority Agreement. Nothing in this opinion may be construed as reflecting how the Board might deal with other problems under different contractual provisions.
Although job descriptions for the new jobs are not available to the Board, the record indicates that the work functions are still separated between employees who inspect and others who perform metallurgical testing functions. This fact, alone, does not warrant a ruling, as the Union argues that the jobs in the North Mill are not "new" jobs within the meaning of Section 13-B. The record leaves no doubt that, for purposes of Section 13-B, these are new jobs; although the basic quality and inspection duties performed on the product processed in the new North Sheet Mill have not been shown to be substantially different than from those required from Inspectors and Metallurgical Testers at the South Sheet Mill, higher skills are required from Metallurgical and Inspection employees at the North Sheet Mill, particularly since each of these jobs combines functions of several jobs now found on the promotional charts of Seniority Units No. 71 and 72, and since inspection methods have been adapted to the high speed units.

Administrative convenience, job location, easing of temporary transfers, better training potential, changes in supervisory structure, and related matters all are elements to be considered in evaluating the Company's application of Section 13-B; they do not, however, establish "appropriateness" conclusively if long established seniority rights of employees are adversely affected. Creation of an unduly small seniority unit not only restricts promotional opportunity; it also reduces employment security.

The Union has referred to past instances of including M & I inspection duties on new units in the existing Inspection seniority unit, which had been plant wide up to the construction of the North Sheet Mill. While these past instances have a bearing on what has been and should be considered "appropriate" under Section 13-B, the examples cited by the Union concern single units, relatively close to existing installations, which started up prior to, or in the infancy of, the development of the new inspection concepts underlying this case. There has not been a single instance similar to the construction of the North Sheet Mill and involving a whole new department with a variety of units and at a location somewhat distant from established units.
If the establishment of a single seniority unit for the new M & I jobs in the North Sheet Mill may seem detrimental to the interests of Inspectors, it also appears beneficial to the Testers for whom an avenue to higher rated jobs now has been opened. The new unit is not exceptionally small, particularly if one considers the size of other M & I seniority units; employees serve a variety of units which are functionally related, present similar inspection and testing problems, and are housed under the same roof, somewhat distant from other departments. All employees in the unit should be thoroughly familiar with the type of defect likely to occur on materials processed in this mill which are quite different from those, for instance, on a Pickle or Electrolytic Tinning Line. In balance, therefore, the Company's action was a reasonable application of Section 13-B.

AWARD

The grievance is denied.

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, Chairman