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United States Steel Corporation Johnstown Works and United Steelworkers of America Local Union 1288

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BOARD OF ARBITRATION

Case USS-5306-H

March 23, 1966

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION
Johnstown Works

and

UNITED STEELWORKERS OF AMERICA
Local Union No. 1288

Grievance No. A-62-50

Subject: Seniority - Shutdown of Facility.

Statement of the Grievance: "We the undersigned employees of the Iron Foundry feel we are being discriminated against by the company taking Iron Foundry work to the Steel Foundry without Iron Foundry employees. We request lost time wages as of June 18, 1962, and for all future infractions while management continues assigning Iron Foundry work to the Steel Foundry employees."

This grievance was filed in the Third Step of the grievance procedure July 9, 1962.


Statement of the Award: The grievance is denied.
This grievance from Johnstown Works protests discontinuance of the Iron Foundry as a separate operation and transfer of remaining work, formerly performed in the Iron Foundry, to the Electric and Open Hearth Steel Foundries without a commensurate transfer of Iron Foundry employees. Essentially the case now involves a seniority problem within the scope of Section 13-E of the Basic Agreement, reading:

"It is recognized that conflicting seniority claims among employees may arise when plant or department facilities are created, expanded, added, merged, or discontinued, involving the possible transfer of employees. It is agreed that such claims are matters for which adjustment shall be sought between Management and the appropriate grievance representatives or committees.

"In the event the above procedure does not result in agreement, the International Union and the Company may work out such agreements as they deem appropriate irrespective of existing seniority agreements or may submit the matter to arbitration under such conditions, procedures, guides and stipulations as to which they may mutually agree."

Prior to June 18, 1962, the Company had operated an Iron Foundry, an Electric Foundry, and an Open Hearth Steel Foundry, at the Johnstown Works. Each such Foundry constituted a separate seniority unit for purposes of job retention. Following a period of low demand for all foundry products in 1961,
production in the Electric and Open Hearth Steel Foundries showed a substantial increase in 1962 and thereafter. Meanwhile, the market for Iron Foundry products never recovered after 1961. Finally, Management decided to shut down the Iron Foundry and transfer all remaining iron casting work to the other two foundries where it could be absorbed without adding new employees. On June 18, 1962 the Iron Foundry accordingly was shut down and all of the employees (about 80) then employed therein were laid off. For the most part they remained on layoff until (pursuant to a local implementation of the "seniority pool" provisions under Section 13-L of the Basic Agreement) all finally were recalled to "pool" jobs at Johnstown. There are 53 such employees at present, many with long plant service.

In claiming violation of a Section 2-B-3 local working condition the grievants rely in part upon an instance in 1962 when some Electric Foundry work was performed within the Open Hearth Steel Foundry. Fair treatment now requires, in grievants' eyes, that Iron Foundry employees, rather than employees from the other units, should be utilized when iron casting work is performed in either of the other two Foundries. Management rejects this suggestion, pointing out that, in the earlier instance cited by grievants, the Electric Foundry merely utilized a portion of the Open Hearth Steel building; in the present case the iron casting is performed with the same equipment and facilities used for steel casting, so that it is not feasible to use different employees for the iron work. The Union also suggests that the Iron Foundry should be reopened, to handle the small amount of iron casting which now remains, and perhaps operated on an intermittent basis. The Company rejects these suggestions as too costly and inefficient, and out of keeping with the need to meet customer delivery requirements.
The Company has made several proposals, during processing of the grievance, calculated to provide some basis for accommodating the equities of the long service grievants. At Fourth Step on August 6, 1964 the Company suggested that the closing of the Iron Foundry be handled under Section 13-E of the 1962 Labor Agreement and asked the Union to draft a proposal relating to the employment of the displaced employees. After the Union failed to submit a proposal, Management submitted several proposals, each designed to afford a certain amount of integration of Iron Foundry employees into the other seniority units. Each such proposal was rejected primarily because of a lack of unanimity among the members of the Grievance Committee.

FINDINGS

There is no evidence to show any infringement of grievants' seniority rights as a result of the initial shutdown of the Iron Foundry, on a temporary basis, in 1962. Since that date, moreover, the volume of iron casting at Johnstown consistently has been too low to warrant reopening the Iron Foundry. Management cannot be obliged to reopen it only from time to time, and to accumulate orders for this purpose, since that involves manifest inefficiency and inability to meet customer requirements satisfactorily.

There is no local working condition, moreover, which would require Management to operate the Iron Foundry as long as there were any orders for iron castings. And no local working condition is established by the evidence which would permit former Iron Foundry workers to "follow" iron casting work into the other Foundries, so as to perform it to the exclusion of employees in those seniority units.
There is no indication that the volume of iron casting at Johnstown is likely to increase in the foreseeable future to the extent that it would be feasible to reopen the Iron Foundry. Thus the Company's Fourth Step suggestion, in August of 1964, that the provisions of Section 13-E be applied, was entirely sound.

The evidence leaves no doubt that the only practical way to solve the problem faced by grievants is likely to be found through a solution such as contemplated under Section 13-E. This Section rests on the assumption that problems of this sort should be solved by agreement, either by the local parties or by the International Union and the Company where local parties are unable to agree. And here, too, it should be clear that the language of Section 13-E is permissive and not compulsive. And, finally, the language leaves no doubt that arbitration of such problems may be invoked only by agreement of the parties "under such conditions, procedures, guides and stipulations as to which they may mutually agree."

Accordingly, there is no function for the Board to perform in the present case under Section 13-E. In passing on the merits of the grievance under Sections 2-B-3, and 13-A and 13-B, moreover, it is clear that the grievance must be denied.

AWARD

The grievance is denied.

BOARD OF ARBITRATION

Sylvestor Garrett, Chairman