

Steel workers trilogy: labor dispute resolution



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In many labor disputes, labor arbitration is seen as the more convenient way of settling conflicts within the confines of the work place. What has been dubbed as the most known labor arbitration issue decided by the United States Supreme Court was handed down in 1960, collectively known as the “Steel Workers” trilogy cases (James Stern & Joyce Najita, 1997). All three of the cases’ majority decisions were written by Justice William Douglas (Stern & Najita, 1997).

The cases were argued and won by the late general counsel of the United Steelworkers of America, David E. Feller (Eric Pace, 2003). According to a former colleague of Feller, the issue of the trilogy cases was the presumption that the legal entities such as the courts would encumber themselves with the interpretation of the agreements between labor and management, or the collective bargaining agreements, or should the courts strengthen and establish the role of labor arbiters in fulfilling that duty alone (Pace, 2003).

In the opinion of Stanford University professor of law emeritus William Gould IV, Feller argued that the courts should exercise the rule that labor arbiters are best suited to essay the rules and provisions of such agreements (Gould, 2003). Paul Whitehead, the present counsel for the steel workers’ union, states that the decision of the Supreme Court firmly enshrined the practice of arbitration as a means of dispute and conflict resolution in the ambit of the statutes of the United States (Whitehead, 2003).

Also, Whitehead states that the ruling of the Supreme Court has afforded both labor and management a swifter and more inexpensive means of conflict resolution than going through the rigors and costs of the traditional

court litigation process (Whitehead, 2003). In the “ Steelworkers’ trilogy”, the court founded the premise of inclining toward the use of arbitration in the resolution of conflicts rising from the interpretation of the collective bargaining agreements and strengthened the ambit of the arbiter in deciding and handing down awards to the parties involved (Robert Vercruysse, 2001).

But this is only applicable, in the opinion of the Court, if the award is based on the provisions of the agreement (Vercruysse, 2001). But in some rulings, the Court did not state that the power of the arbiter is not without parameters (Vercruysse, 2001). In setting forth the parameters of the powers of the arbiters, as set in their *Steelworkers v. Enterprise Car* decision (363 U. S. 593 (1960)), the role of the arbiters are bound only to the interpretation and the applicability of the collective bargaining agreement (Vercruysse, 2001).

In essence, the arbiter can only act in what has been laid down in the agreement, and cannot rule according to his whims and caprices (Vercruysse, 2001). In the interpretation of the ruling of the Supreme Court in the three cases of the steelworkers, the primary context in the resolution of the labor disputes is the text of the collective bargaining agreement (Dana Shilling, 2006). But in the just resolution of the case staged for resolution, other factors can be given due weight (Shilling, 2006).

Factors like the “ law of the shop”, which are defined as practices and conduct that developed in time in the course of the operation of the business, is also given due importance (Shilling, 2006). Also, the arbiter’s decision must take cognizance of several other elements, such as the effect

of the decision on output, employee morale, and issues in the workplace are also viable factors in the arrival of the ruling (Shilling, 2006). But the Court does not limit the arbiter from searching from sources apart from what has been laid down in the bargaining agreement (Vercruysse, 2001).

This was decided as to give the arbiter additional sources of input to decide the case before the office, but the award that the arbiter gives is only legally sound if the ruling finds its moorings in the collective bargaining agreement (Vercruysse, 2001). If the arbiter renders a ruling that is not found in the provisions of the collective bargaining agreement, then the courts can have a legal bearing to refuse the award to be enforced (Vercruysse, 2001). In the Steelworkers' case, the part of the arbiter in the interpretation and the enforcement of the award given to the parties were enshrined (Vercruysse, 2001).

The decision by the Supreme Court also gave the legal assumption that the process of collective bargaining is a continuous step and the process of arbitration in the address of grievances is part and parcel of the chronology of the agreement that neither of the parties could have foreseen during the period that the agreement was signed (Arnold Zack, 2005). As stated earlier, the "trilogy" decisions strengthened the role of labor arbiters as chosen by the affected parties to have the required expert credentials in the resolution of the corporate disputes that do not fall under the judicial scrutiny of the officers of the court (Zack, 2005).

In this act of the Court, they allowed both parties, by their choice of arbiters to resolve the issues of conflict, to hold themselves accountable to the

decisions of the arbiters (Zack, 2005). The ambit of the “ Steelworkers trilogy” is found in an earlier decision of the United States Supreme Court (Nicholas Askounes Ashford & Ford Foundation, 1976). In the 1947 Labor Management Relations Act, Section 203(a) of the law stated that is a matter of policy for the national government that arbitration shall be encouraged in the resolution of labor conflicts (Ashford & Ford, 1976).

In the provision, the final ruling in a specific labor dispute is to be done via arbitration and that practice is declared as the most advocated method in the resolution of the disputes that arise from a current collective bargaining agreement (Ashford & Ford, 1976). In line with Section 203(a) of the law and with Section 301(a) of the same statute, this formed the foundation of the decision of Justice Douglas, the same Justice who penned the majority decisions of the “ Trilogy” cases, to also pen the majority opinion of the *Textile Workers Union V. Lincoln Mills* (353 U. S. 48 (1957) (Justia) decision of the Court (Ashford & Ford, 1976).

In the decision of the majority, the Court ruled that Section 301(a) of the law laid down parameters for compliance to labor provisions that require the resolution of labor disputes through the method of arbitration (Ashford & Ford, 1976). In the opinion of the Court, the provision must be construed in the light of an expressed Federal initiative that dictates that industrial harmony and its cause is best served by the legal enforcement of the agreement to have disputes resolved through arbitration that happen in the course of the agreement (Ashford & Ford, 1976).

This doctrine as laid down by the Court was further applied in the “Steelworkers Trilogy” cases (Ashford & Ford, 1976). In the context of the doctrine, it is the opinion of the court that its participation is not for the consideration of the merits and issues of the case, but to refer the case to the arbitration officer (Ashford & Ford, 1976). But this can only be facilitated if at least these basic conditions are satisfied by the case (Ashford & Ford, 1976). These conditions are considered as primary in the actions of the court (Ashford & Ford, 1976).

First and foremost, it must be stated that there does exist a labor contract (Ashford & Ford, 1976). Secondly, the contract must contain a clause which states arbitration in labor disputes is binding upon both parties (Ashford & Ford, 1976). Third, there must be an accusation that the provisions of the contract were infringed (Ashford & Ford, 1976). Again, if the arbiter awards more than what is stipulated in the contract, then the award shall be voided by the court (Ashford & Ford, 1976).

The Steelworkers Trilogy The cases in the “Steelworkers Trilogy” basically dealt on the issues of labor arbitration in the resolution of corporate and labor conflicts (Stern & Najita, 1997). Two of the cases, *Steelworkers v. American Manufacturing Co.* (363 U. S. 564 (1960)), and *Steelworkers v. Warrior and Gulf Navigation Co.* , (363 U. S. 574 (1960)), concerns the execution and implementation of agreements (Stern & Najita, 1997). The third case, *Steelworkers v. Enterprise Wheel and Car Corporation* (363 U. S. 593 (1960)), dealt with the implementation of an award given in the course of arbitration (Stern & Najita, 1997).

These cases avouched the importance of the need for the practice of arbitration in the resolution of labor disputes, buttressing the ruling of Lincoln Mills (353 U. S. 448 (1957) (Edward Shils, 2009). The Steelworkers v. American Manufacturing Co. case In the American Manufacturing ruling of the High Court, the agreement of the company did possess a provision that stated the practice of arbitration will be utilized if there should be any dispute arising from the definition, elucidation and execution of the accord (Stern & Najita, 1997).

A worker framed a compensation dispute with the company claiming that he is partially disabled on a permanent basis (Stern & Najita, 1997). Since the employee had chosen to settle, the company hence refused to reinstate the employee to his former position (Stern & Najita, 1997). But the union challenged the position of the company, arguing that under the company's seniority policy, the employee was entitled to the position under the provisions of the collective bargaining agreement (Stern & Najita, 1997).

In the decision of the Supreme Court, it ruled that the conduct of arbitration should have been availed of as a first order, since the judiciary deemed itself as being limited in the adjudication of such practices (Stern & Najita, 1997). The Court decided whether the claim put forth by the worker did fall under the coverage of the contract if seen at face value (Stern & Najita, 1997). The court also decided that officers of the court, judges in particular, must not concern themselves in adjudicating merits of a grievance claim (Stern & Najita, 1997).

Steelworkers v. Warrior and Gulf Navigation Co In the decision of the Supreme Court in Steelworkers v. Warrior and Gulf Co. (363 U. S. 574 (1960)), the company's union claimed that the actions of the management in sourcing out the maintenance duties infringed on a provision of " no-lockout" in the collective bargaining agreement (Stern & Najita, 1997). The accord of management contained a far-reaching arbitration provision in the agreement, dealing with " differences" or disturbances of any kind (Stern & Najita, 1997).

The provision also carried a few intricacies in the contract (Stern & Najita, 1997). In the contract, a provision was included that exempted any management action from the arbitration practice (Stern & Najita, 1997). In deciding the case, the United States Supreme Court ruled that an order to use arbitration in deciding a particular remonstrance must be given due course unless it has been proven that a clause specifically for the use of such a practice is not put in the contract itself (Stern & Najita, 1997).

But in a rejoinder to the ruling, the Supreme Court also ruled that if there a lingering doubt as to whether the particular expostulation falls under the contract or not, then it should be given that the grievance falls under the ambit of the contract (Stern & Najita, 1997). In addition, the Court ruled that the provision of management in the exclusion of certain acts from resolution by arbitration did not hold any legal basis, calling the provision insufficient (Stern & Najita, 1997). In the gist of the trilogy, it is gathered that this principle of " arbitrability" comes from the said cases (Shilling, 2006).

In essence, it is not of importance whether the company has agreed to put the issue under arbitration (Shilling, 2006). The operation in this context is even if it is not certain that the company has done the same, then the issue at hand can be placed under arbitration (Shilling, 2006). If the collective bargaining agreement contains both clauses for the resolution of cases via arbitration and a provision that bars strikes, then all conflicts arising from the CBA is subject to arbitration unless put forth in the contract (Shilling, 2006).

Steelworkers v. Enterprise Wheel and Car Corporation In this case decided by the Supreme Court, the management had removed some employees from their positions in sympathy to another co-worker that was discharged from the company's employ (Stern & Najita, 1997). In the course of arbitration proceedings, the arbiter modified the removal of the employees, handing down ten-day suspensions on the erring employees (Stern & Najita, 1997). As the collective bargaining agreement was not in force at the time since the accord had expired, the company challenged the award of the arbiter in giving the employees their former jobs and payment of back salaries to them (Stern & Najita, 1997).

On appeal, the appeals court had thrown out the award given by the arbiter, saying that the award was over the time of the enforceability of the contract (Stern & Najita, 1997). But the Supreme Court reversed the decision of the appeals court, saying that the proper conduct of the court should have been to stay away from such issues (Stern & Najita, 1997). The "Steel workers Trilogy" has given beacons by which courts can adduce future litigations involving labor disputes (New Jersey School Boards Association).

For one, the issue of arbitration is deemed a contractual arrangement, with both of the litigants authorizing an arbiter to come between the two parties to settle the issues and render fair judgment (New Jersey). Also it has determined that the courts and not the office of the arbiter, is the proper authority to call for the use of arbitration (New Jersey). Finally, the issue of the scope of the arbitration by the courts shall be set as to the existence of a clause that specifically lays down the use of the method in resolving cases (New Jersey).