

**NATIONAL RAILROAD ADJUSTMENT BOARD
THIRD DIVISION**

**Award No. 40510
Docket No. MW-39404
10-3-NRAB-00003-060050
(06-3-50)**

The Third Division consisted of the regular members and in addition Referee M. David Vaughn when award was rendered.

**(Brotherhood of Maintenance of Way Employes Division –
(IBT Rail Conference
PARTIES TO DISPUTE: (
(BNSF Railway Company (former Burlington
(Northern Railroad Company)**

STATEMENT OF CLAIM:

“Claim of the System Committee of the Brotherhood that:

- 1. The Agreement was violated when the Carrier assigned outside forces (Pavers, Inc.) to perform Maintenance of Way and Structures Department work (haul track panels, switch panels, rail and concrete ties) from Ashland, Nebraska to the Lincoln Nebraska Yards from Carling to 1st Street in Lincoln, Nebraska and various locations within the Lincoln Yards on May 11, 12, 13, 15, 17, 19, 20 and 21, 2004 [System File C-04-C100-84/10-04-0246(MW) BNR].**
- 2. The Agreement was violated when the Carrier assigned outside forces (Pavers, Inc.) to perform Maintenance of Way and Structures Department(remove/install switches and haul track panels) at B-1 Track East between 1st Street and Carling in the vicinity of the Salt Creek Bridges and to and from locations within the Lincoln, Nebraska Terminal on May 18, 24, 26, June 1 and 25, 2004 [System File C-04-C100-101/10-04-0278(MW)].**
- 3. The Agreement was further violated when the Carrier failed to provide the General Chairman with a proper advance notice of its intent to contract out said work or make a good-faith effort to reduce the incidence of subcontracting and increase the use of its**

Maintenance of Way forces as required by Rule 55 and Appendix Y.

- 4. As a consequence of the violations referred to in Parts (1) and/or (3) above, Claimants D. Ficke, M. Portenier and R. Hetherington shall now each be compensated for thirty-three and two-tenths (33.2) hours at their respective straight time rates of pay and three and two-tenths (3.2) hours at their respective time and one-half rates of pay.**
- 5. As a consequence of the violations referred to in Parts (2) and/or (3) above, Claimant R. Frerking shall now be compensated for eight (8) hours at his respective straight time rate of pay and three (3) hours at his respective time and one-half rate of pay, Claimant J. Wilkinson shall now be compensated for sixteen (16) hours at his respective straight time rate of pay and twelve (12) hours at his respective time and one-half rate of pay and Claimant S. Thomas shall now be compensated for eight (8) hours at his respective straight time rate of pay."**

FINDINGS:

The Third Division of the Adjustment Board, upon the whole record and all the evidence, finds that:

The carrier or carriers and the employee or employees involved in this dispute are respectively carrier and employee within the meaning of the Railway Labor Act, as approved June 21, 1934.

This Division of the Adjustment Board has jurisdiction over the dispute involved herein.

Parties to said dispute were given due notice of hearing thereon.

The Claimants held seniority in the Maintenance of Way and Structures Department and in its Work Equipment Sub-Department in accordance with Rule

2. Claimants Ficke, Portenier and Hetherington were Group 2 Truck Drivers and Claimants Frerking, Wilkinson and Thomas were Group 2 Machine Operators. The Claimants were fully employed or on vacation on the dates stated in the two consolidated claims.

In a February 27, 2004 letter, the Carrier notified the Organization that it would begin a large construction and reconfiguration project at its Lincoln, Nebraska, Yard. The notice stated the Carrier would contract out work on or after March 15, 2004 including rerouting utilities (oil, gas, water, sanitary sewer, storm drains) asphalt work, relocation of fencing, upgrading of road or bridge structures and "dirt work" including inserting culverts, placement of topsoil, soil compaction, sub-grade work, and embankment work. The notice specified that "Carrier forces do not have the equipment and skills necessary to complete all aspects for the project that will be contracted out." The Carrier stated that the contractor would provide heavy equipment such as side booms and cranes to assist Carrier forces.

The Carrier described the work to be contracted as consistent with its historical practice of contracting out such work. After detailing activities to be contracted, the notice also listed work that would not be contracted. It declared, "Carrier forces will be responsible for the construction, realignment and installation of the track structures associated with this project." The parties discussed the notice in conference but without resolution.

Work on the project began on April 6, 2004. On May 11, 12, 13, 15, 17, 19, 20 and 21, 2004, the contractor's forces hauled track panels, switch panels, rail and concrete ties. On May 18, 24, 26, June 1 and 25, 2004, the contractor's forces used trucks and/or rubber tired front end loaders to haul track panels and remove and install switches.

Documentary evidence submitted by the Organization consisted of a brochure indicating that Hertz Equipment Rental in Omaha, Nebraska, rented front end loaders. The Organization provided no affidavit, statement, or other evidence to prove what each Claimant's employment status was on the days at issue or to support its claim that the work was exclusively reserved system-wide to Carrier forces to the exclusion of contractors.

Documentary evidence submitted by the Carrier consisted of a computer printout establishing that Claimant Wilkinson was on vacation on the dates of his claim – May 24 and 26, 2004. To confirm its reasons for contracting the work at issue, the Carrier submitted as evidence a copy of Assistant Roadmaster J. M. Chapple's email statement that:

“This was a very large project involving the replacement of 19 turnouts and extending several miles of track. The MOW's portion of this project started on 04/06/2004 and the project is still underway as of 08/05/2004. Several machines and trucks were contracted during this period. . . . The BNSF does not possess the amount of equipment necessary to complete a project of this magnitude, therefore machines and operators were contracted to help complete this project on time . . . in conjunction with the use of BMW labor and machinery as well as contracted services. . . .”

The Carrier rejected the claim for straight time and over-time pay as excessive. It stated the Claimants were fully employed or unavailable due to vacation and lost no earnings.

The involved Rules read, in relevant part, as follows:

“RULE 1. SCOPE

These rules govern the hours of service, rates of pay and working conditions . . . in the Maintenance of Way and Structures Department. . . .

Rule 2A. SENIORITY RIGHTS AND SUB-DEPARTMENT LIMITS

Rights accruing to employees under their seniority entitles them to consideration for positions in accordance with their relative length of service. . . .

RULE 5A. SENIORITY ROSTERS

A. Seniority rosters of employes of each sub-department by seniority districts and rank will be compiled. . . .

RULE 42A.

All claims or grievances must be presented in writing . . . within sixty (60) days from the date of the occurrence on which the claim or grievance is based. . . .

RULE 55 CLASSIFICATION OF WORK

* * *

N. Machine Operator.
An employe qualified and assigned to the operation of machines.
. . .

* * *

P. Truck Driver.
An employe assigned to primary duties of operating dump trucks. . . .

* * *

NOTE to RULE 55

* * *

Employes included within the scope of this Agreement - in the Maintenance of Way and Structures Department . . . perform work in connection with the construction and maintenance or repairs of and in connection with the dismantling of tracks, structures or facilities located on the right of way and used in the operation of the Company in the performance of common carrier service. . . .

. . . In the event the Company plans to contract out work . . ., it shall notify the General Chairman of the organization in writing as far in advance of the date of the contracting transaction as is practicable and in any event not less than fifteen (15) days prior thereto . . . Said Company and Organization representative shall make a good faith attempt to reach an understanding concerning said contracting, but if no understanding is reached the Company may nevertheless proceed with said contracting, and the Organization may file and progress claims in connection therewith.

* * *

Appendix Y.

* * *

The parties jointly reaffirm the intent of Article IV of the May 17, 1968 Agreement that advance notice requirements be strictly adhered to and encourage the parties locally to take advantage of the good faith discussions provided for to reconcile any differences. . . . [T]he advance notices shall identify the work to be contracted and the reasons therefore.”

The Organization filed claims, which were subsequently consolidated, protesting the Carrier’s use of a contractor to perform track work. The Organization claimed that the Claimants were qualified to perform this hauling, removal and/or installation work. It alleged, but provided no evidence that the contractor’s forces expended a total of 99.6 straight time hours and 9.6 time and one-half hours during the claim period - May 11, 12, 13, 15, 17, 19, 20 [the “First claim”]. The Organization alleged, but provided no evidence that the contractor’s forces expended a total of 32 straight time hours and 15 time and one-half hours during the claim period May 18, 24, 26, June 1 and 25, 2004 [the “Second claim”].

The first claim was dated June 2 and was received by the Carrier on June 7. The earliest date of work in this claim – May 11, 2004 – was less than 60 days prior to June 7, 2004 as Rule 42A requires for a timely filing. The second claim was dated July 5, 2004 and was received by the Carrier on July 12, 2004. The earliest date of

work in this claim – May 18, 2004 – was less than 60 days prior to July 12, 2004, as Rule 42A requires for a timely filing. The claims were properly handled by the Organization and progressed on the property in the usual manner up to and including the Carrier's highest appellate officer but without resolution. The Organization consolidated the claims and presented them to the Board for arbitration.

The Carrier initially argues that Rule 42A time barred the claims because each was received more than 60 days after the April 6, 2004 date on which the overall project first began. The Carrier disputes the claims' assumptions that the first day of hauling work – May 11, 2004 and the first day of front end loader work – May 18, 2004 – are the dates of first occurrence, respectively, for purposes of filing the two claims pursuant to Rule 42A. It contends that the first occurrence date for each claim was April 6, 2004.

As to substantive issues, the Carrier asserts the Organization failed to meet its burden of proving that contracting the work at issue violated Rules 1, 2, 5, 55, the Note to Rule 55, Appendix Y or any other provision of the Agreement. It argues that a timely notice was sent to the Organization identifying the work to be contracted along with the reasons for doing so, after which the parties engaged in the good-faith conference required.

The Carrier disputes the allegation that it failed to provide appropriate advance notice. It points as evidence to its letter identifying work to be contracted out and the reasons for doing so. It argues that the Organization's Submission only alleges, but provides no evidence, that the work of hauling tracks and switches and removing and installing switches had historically, traditionally and customarily been assigned to Carrier forces system-wide to the exclusion of contractors, or that this work falls within the parameters of the Scope Rule. The Carrier reiterates that it is the Organization's responsibility to provide probative evidence to support its claims. If an affirmative defense is required, the Carrier asserts that it is not required to piecemeal the work.

In denying that Rule 1 reserves the disputed work to M of W employees, the Carrier argues that Rule 1 is a general Scope Rule and does not delineate any particular tasks the Carrier is required to assign to M of W forces. Consequently, it asserts that no general Scope Rule is applicable to this situation; however, where a

general Scope Rule is involved, it becomes the Organization's burden to prove that past work has been assigned to its members exclusively. The Carrier contends that the Organization failed to meet its burden of producing probative evidence showing a system-wide exclusive practice or showing that the Carrier's M of W employees have a contractual right to performance of the work in question.

In response to the Organization's allegation that Classification of Work Rule 55 reserves the work at issue to the Claimants, the Carrier argues that it has been well established through arbitration that Classification Rules are not Scope Rules and, therefore, do not guarantee any particular work assignment to Carrier employees. The Carrier cites the Board's language in on-property Public Law Board No. 4104, Award 13:

"[T]he claim must be denied. . . . First, no rule in the Agreement specifically reserves the disputed work to the Organization. Rule 1, the Scope Rule does not deal specifically with this issue. Furthermore, Rule 55, cited by the Organization, is a Classification of Work Rule. It is well established that Classification Rules do not reserve work exclusively to employees of a given class."

The Carrier argues, contrary to the Organization's position, that even if there were a basis for sustaining a violation of the Agreement, no compensation should be awarded because Claimant Wilkinson was on vacation and the other Claimants were fully employed on the relevant claim dates. It asserts that the Organization provided no evidence that the Claimants were other than fully employed or suffered a monetary loss. The Carrier contends that in rules cases, the burden of proof rests with the Organization as to all elements of its claims and that in this instance, it failed to meet that burden. The Carrier cites the following language in Third Division Award 25002:

"This Board, while finding that the Carrier did not furnish the mandated notice, does not find sufficient reason to award pecuniary relief. The Claimants have not proved loss of work or earnings. There is solid precedent (see Third Division Awards No. 18305 (Dugan), No. 23345 (Dennis), No. 20275 and 20671 (Eischen)) that to award a penalty, Claimants must show distinct damages."

The Carrier also cites on-property Third Division Award 36715 which held the following:

“The Organization argued that the Claimants were ‘qualified and available;’ however, the record demonstrates that those Claimants who were available were fully employed throughout the claim period. Therefore, the Claimants were not available to operate the necessary equipment, rented or otherwise. And because of this full employment, the Carrier was ‘. . . not adequately equipped to handle the work . . .’ as clearly set forth in the second paragraph of the Note to Rule 55.”

The Organization acknowledges that the Carrier provided notice of certain contracted work, however, it argues that the letter failed to provide notice that the contractor would use its equipment and employees to haul tracks and switches and remove and install switches. The Organization contends that the work at issue here had historically, traditionally and customarily been assigned to Carrier forces system-wide to the exclusion of contractors and that assignment of this scope-covered work to an outside contractor violated the Agreement.

The Organization further contends that the burden of establishing an exception to the Scope Rule is the Carrier’s and that the Claimants were available and fully qualified to perform the work. Finally, the Organization argues that the Carrier owes compensation for the Claimants’ lost work opportunities irrespective of their fully employed or vacation status.

The Board reaches the following conclusions. Work on the project began on April 6, 2004, however, the events on which the first and second claims were based occurred on or after May 11 and May 18, 2004 respectively. The claims were received by the Carrier on June 7 and July 12, 2004 respectively. Pursuant to the requirements of Rule 42A, all occurrence dates are within 60 days of the Carrier’s receipt of the claims. Consequently, the Board finds both claims to have been timely filed.

As to the issue of notice, the Board concludes that the work here does not involve, grading, excavation, culverts, utility lines, asphalt, fencing, bridges, dirt work or stormwater management which the Carrier carefully listed as being contracted out. Instead, the work at issue is track work. The Carrier’s notice failed

to include this work within the types of labor to be performed by the contractor. In fact, it specifically designated “the construction, realignment and installation of the track structures associated with this project” as the responsibility of Carrier forces, that is, M of W employees. The Board concludes that although the Carrier did provide notice regarding a wide variety of work and did conference the issues with the Organization, it did not provide a notice for the specific and limited work at issue in these consolidated claims – hauling and installing track and switches and removing track and switches. That failure was in violation of the notice requirements of the Agreement.

As the Carrier correctly argued, past Awards including the holdings cited above, establish that the Scope Rule contained in the Agreement is a general Rule and that Classification Rules are not Scope Rules and, therefore, do not guarantee work assignments. That having been said, the evidence is that the Carrier in its notice to the Organization, specifically reserved track work on the project to Carrier forces: “Carrier forces will be responsible for the construction, realignment and installation of the track structures associated with this project.” It is unclear whether the commitment is based on the Scope Rule or the practice on the property; however, the Carrier’s concession was clear. The Carrier admitted that it contracted out track work on the project. The Carrier conceded its violation.

The violation having been established, it became the Organization’s burden to establish the appropriate remedy. The Organization failed the initial task of submitting probative evidence as to the number of hours the contractor spent performing the work alleged or to prove that the Claimants lost any work opportunities or otherwise suffered monetary loss. The Organization failed to meet its burden to justify any monetary remedy.

The Organization proved that the Carrier failed to give the Organization notice of its intent to contract out the work of transporting, installing and removing track and switch panels, which it had conceded would be performed by its own forces. However, the Organization failed to prove the amount of work performed by the contractor or that the Claimants lost work opportunities. Thus, the Organization is entitled to a declaration that the Carrier violated its notice obligations and improperly assigned to a contractor work the Carrier committed to its own forces. However, no monetary remedy is appropriate.

AWARD

Claim sustained in accordance with the Findings.

ORDER

This Board, after consideration of the dispute identified above, hereby orders that an award favorable to the Claimant(s) be made. The Carrier is ordered to make the Award effective on or before 30 days following the postmark date the Award is transmitted to the parties.

NATIONAL RAILROAD ADJUSTMENT BOARD
By Order of Third Division

Dated at Chicago, Illinois, this 15th day of June 2010.

**LABOR MEMBER'S CONCURRENCE AND DISSENT
TO
AWARD 40507, DOCKET MW-39401
AWARD 40508, DOCKET MW-39402
AWARD 40510, DOCKET MW-39404
(Referee Vaughn)**

One school of thought adhered to by certain railroad industry advocates is that writing dissents is an exercise in futility because they are neither read nor considered by subsequent referees. This Organization does not belong to that school. For, to accept the theory that dissents are meaningless, is to necessarily accept the conclusion that reason does not prevail in railroad industry arbitration. Despite all the faults built into this system, the Organization Member of this Board is not ready to conclude that reason has become meaningless. Therefore, the Organization Member has no alternative but to file this emphatic dissent to the remedy portion of the claim.

In these cases, there can be little question that if the Carrier had not assigned outside contractors to perform the work at issue here, the Claimants would have performed the work. Hence, the inexorable conclusion is that the Claimants were damaged when they lost the opportunity to perform the work and receive the concomitant reparations.

Here, the Majority is attempting to set a new standard to be required of the Organization to obtain a monetary remedy. It is as though the Majority believes that this issue has not been visited by the parties in the past. Quite to the contrary, hence, the Majority was not ploughing virgin soil here. The Majority's findings here ignore the able on-property awards wherein the Board made monetary reparations to fully employed employees employing standards at odds with the standards the Majority is attempting to foist on the Organization in this case. The authority to award a monetary remedy could be found within the awards attached to our submission and to the awards presented to the Board during panel discussion. For instance, we presented recently adopted Awards 37901, 38010, 38011, 38375, 39865 and Award 33 of Public Law Board No. 6204 involving these same parties wherein a monetary remedy was allowed for both a notice violation and a lost work opportunity. In these forums, literally dozens of referees have sustained monetary awards to enforce the integrity of the Agreement, irrespective of a showing of monetary loss. A sample of these awards, beginning with the early days of the NRAB and continuing to the present are as follows:

AWARD 685: (Third)

“The objection of the carrier to the payment of overtime under Rule 37 must also be overruled. It is true, as the carrier points out, that the claimant ‘was not required to work regularly in excess of eight hours.’ The Division, however, has found that the carrier made an improper assignment in this case. Accordingly, the claim, although it may be described as a penalty, is meritorious and should be sustained. The Division quotes with approval this statement from the Report of the Emergency Board created by the President of the United States on February 8, 1937:

“The penalties for violations of rules seem harsh and there may be some difficulty in seeing what claim certain individuals have the money to be paid in a concrete case. Yet, experience has shown that if rules are to be effective there must be adequate penalties for violation.”

AWARD 2277: (Third)

“*** The only question arises whether Gardner, who did not, in fact, do the work, is nevertheless entitled to be paid therefor, and on an overtime basis of pay, by reason of the claim that, while not exclusively entitled to the work, he would have, under ordinary circumstances, been called on therefor. If we are to allow the claim it must be done on the basis that the Carrier should be penalized for its violation of the Agreement, regardless of the fact that the result thereof would operate to compensate Gardner for work he did not perform, and on an overtime basis of pay. To impose this penalty may, in the circumstances, seem harsh; but Agreements are made to be kept and the imposition of penalties to attain that end, and to discourage violations, are justified. As we view the matter, less harm will result to the principles of collective bargaining by imposing the penalty than from ignoring the violation and refusing to impose the penalty. ***” (Underscoring added)

AWARD 12374: (Third)

“Carrier urges that the claim is for a penalty because Claimant actually worked on each of the days for which the claim is filed; that he received eight (8) hours of pay at his rate for each of the days; that he could not have been available for the work done on those days by the Machine Operators; that the Agreement does not provide for payment of services not performed; that this Division has no right to assess a penalty.

A collective bargaining agreement is a joint undertaking of the parties with duties and responsibilities mutually assumed. Where one of the parties violates that Agreement a remedy necessarily must follow. To find that Carrier violated the Agreement and assess no penalty for that violation is an invitation to the Carrier to continue to refuse to observe its obligations. If Carrier's position is sustained it could continue to violate the Scope Rule and Article I of the Agreement with impunity as long as no signal employees were on furlough and all of them were actually at work. For economic or other

reasons, Carrier could keep the Signalmen work force at a minimum and use employees not covered by the Signalmen's Agreement to perform signal work. No actual damages could ever be proved. This is not the intent of the parties nor the purpose of the Agreement.

While Carrier alone has the right to determine the size of the work force in any craft, it has a duty and obligation to keep available an adequate number of employees so that the terms of the Agreement are not breached. Carrier is obligated to have a sufficient number of available signalmen on its roster for its needs. If it fails to do so, it may not complain when a penalty is assessed for a contract violation."

AWARD I7523: (Third)

"The Carrier, furthermore, argues that the instant claim is in the nature of an exaction--a penalty--as the claimants were employed on the days in question. We can only respond that this Carrier is fully familiar with the hundreds of awards which have held that a Carrier is liable in the event of a contract violation; that such assessment of damages is not an unfair labor practice, as it alleges."

AWARD 21751: (Third)

"The Carrier also asserts 'the monetary payment being sought by the Organization is improper. Claimant was fully employed on the dates in question and suffered no loss of earnings.' Thus under the principle that a Claimant is limited to the actual pecuniary loss necessarily sustained no monetary payment is due.

The question to be decided here, however, is not whether the Claimant suffered actual pecuniary loss, but rather there having been an improper assignment of work within the terms of the Parties Agreement of work to which the Claimant was entitled, is he without remedy?

The Organization asserts Claimant under Rule 3 was entitled to perform the work in his seniority district. There is no evidence to the contrary as Carrier did not have the authority to transfer the work, as it contends. The Organization submits the proper remedy is to pay the Claimant the rate for

the work performed citing many awards, essentially, assessing such a penalty for violation, citing, among other Third Division Award 685:

‘The Division xxx found that the Carrier made an improper assignment xxx. Accordingly, the claim, although it may be described as a penalty is meritorious and should be sustained. The Division quotes with approval this statement from the Report of the Emergency Board created by the President of the United States on February 8, 1937:

“The penalties for violations of rules seem harsh and there may be some difficulty in seeing what claim certain individuals have to the money to be paid in a concrete case. Yet experience has shown that if rules are to be effective, there must be adequate penalties for violation.””

AWARD 27614: (Third)

“As to the question of damages, Carrier asserts that Claimants were employed full time when the violation occurred. While we recognize that there is a divergence “of views on this subject, it is our view, and we have so held in prior cases, that full employment of the Claimants is not a valid defense in a dispute such as involved here. As we noted in Third Division Award 26593, ‘. . . in order to provide for the enforcement of this agreement, the only way it can be effectively enforced is if a Claimant or Claimants be awarded damages even though there are no actual losses.’”

AWARD 28185: (Third)

“With respect to remedy, the Board recognizes that the Claimants were fully employed during the period that the work was performed. However, Carrier has not introduced any evidence that the work could not have been assigned to the Claimants on either an overtime or rescheduling of work basis. Clearly a monetary remedy is appropriate on two grounds: loss of work opportunity and, further, in order to maintain the integrity of the Agreement. ***”

AWARD 28241: (Third)

“*** the Board is not receptive to Carrier’s argument that the violation was merely de minimis or that Claimants should be denied any recovery because they were otherwise occupied. This Board has held in numerous cases that a remedy ordinarily is appropriate where a violation of an agreement is proven. ***” (Underscoring in original)

AWARD 28513: (Third)

“*** By the failure to give the required notice, the Carrier did not give the negotiated procedure set forth in Article IV an opportunity to unfold. Claimants therefore clearly lost a potential work opportunity as a result of the Carrier’s failure to follow its contractual mandate to give the Organization timely notice. Given this Board’s previous admonitions to the Carrier to comply with the terms of the 1968 National Agreement and the Carrier’s failure to do so and further considering that the awarding of monetary relief to employees for violations of contracting out obligations even when the affected employees were employed is not unprecedented (see Third Division Award 24621 and Awards cited therein), on balance, we believe that given the circumstances of this case, such affirmative relief is required in order to remedy the violation of the Agreement. To do otherwise would ultimately render Article IV of the 1968 National Agreement meaningless.”

AWARD 34 - SBA NO. 1016:

“We regard any improper siphoning off of work from a collective bargaining agreement as an extremely serious contract violation, one that can deprive the agreement of much of its meaning and undermine its provisions. In order to preserve the integrity of the agreement and enforce its provisions, the present claim will be sustained in its entirety. Contrary to Carrier’s contentions, we do not find that the absence of a penalty provision or the fact that claimants were employed full time on the five dates in question deprives the Board of jurisdiction to award damages in this situation.”

AWARD 41 - SBA NO. 1016:

“Beyond this the Board has considered and finds unpersuasive the Carrier’s argument that notwithstanding the Board finding of an Agreement violation by the Carrier, the Claimants should not be awarded compensation for the work performed by Gang TK-134, because the Claimants were on duty and under pay during the period that the Gang was used at work locations on the Philadelphia Seniority District.

Prior authorities on this facet of the case have reached conflicting results. A number of authorities cited by the Carrier hold that notwithstanding a contract violation, compensation is allowable only where Claimants show a monetary loss from their regular work assignments in connection with the violation. Second Division Award 5890 and Third Division Award 18305. Contra authorities have ruled that full employment does not negate a compensatory award in situations where there is valid need to preserve the integrity of the Agreement.

Important seniority rights are in question in this case, because an Employee whose name is on a seniority roster in an Agreement designated seniority district, owns a vested right to perform work in that seniority district that accrues to his standing and status on the district seniority roster. The Seniority District boundaries established by the parties’ Agreement to protect and enforce that right, have been improperly crossed by the Carrier action, resulting in the Claimants loss of work opportunities, and hence the principle that compensation is warranted in order to preserve and protect the integrity of the Agreement, is applicable to this dispute. For similar rulings between these same parties see Award No. 34 of Special Board of Adjustment No. 1016 (07-28-89) and Award No. 7 of Public Law Board No. 3781 (02-12-86).” (Underscoring in original)

Finally, at panel discussion of these cases this neutral was presented with a copy of recently adopted Award 39141 involving the CSXT and the BMW, wherein the Board held:

“It is well established that compensatory remedies have been awarded by numerous Boards in the past in order to preserve the integrity of the Agreement, notwithstanding arguments by the Carrier that the claimants were fully employed during the period at issue. The Board concurs with the reasoning set forth in those Awards. The result of such a remedy effectively requires the Carrier to pay twice for the same work. The Board notes that the Carrier is fully aware of such a consequence for its decision to contract out work, which work is subsequently determined to be scope covered work

reserved to BMW-represented employees. The Carrier specifically acknowledged so in its Opposition to Motion for Preliminary Injunction (Brotherhood of Maintenance of Way Employees vs. CSX Transportation, Inc., Case No. 3:00-cv-264-J-21B) which provides, in pertinent part, as follows:

‘The standard remedy in arbitration is not, as BMW suggests, to have work which was done by the contractor “redone with BMW members.” BMW at 26. The standard arbitration remedy is that CSXT must, in effect, pay for the work twice. The arbitrator could order that CSXT pay BMW-represented employees as if they had done the work in question.’ (Employee’s Exhibit R.)

Therefore, as a result of the Carrier’s violation of the Scope Rule in this case, the Claimants shall each be compensated at their straight time rates of pay for an equal proportionate share of all hours worked by employees of the outside contractor in the construction of the office building at mile post QC 15.0 in Selkirk, New York. See Third Division Award 36092.

AWARD

Claim sustained in accordance with the Findings.”

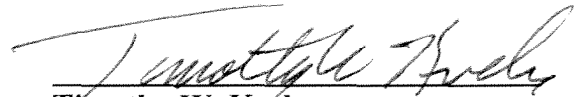
It appears that the Neutral member has accepted and grounded his opinion upon the Carrier’s assertion that the Claimants were “fully employed”. The fact that the Claimants may have been working on the claim dates is irrelevant under both the “damages” and “penalty” principles espoused by this Board. It is axiomatic that the employment status of the Claimants is meaningless under the penalty awards because they allow compensation to protect the sanctity of the Agreement irrespective of monetary losses by individual Claimants. The fact that the Claimants may have been working on the claim dates is also irrelevant under the damages awards because they are founded on a loss of work opportunity. The forty (40) hour work week provided for in the National Agreements establishes a minimum of forty (40) hours per week as long as positions exist. The fact that Claimants may have received that minimum payment during a claim period does not negate the fact that they lost the opportunity to perform the work in dispute during daily or weekend overtime or by having an extended work season for seasonal employees. The fact is, that the collective bargaining agreement specifically contemplates such work as is evidenced by the overtime rules, call rules and provisions governing work on holidays or during vacation periods. In recognition of these opportunities for extended hours or additional days of work, numerous awards have held that the so-called “full employment” of claimants is no bar to the awarding of monetary damages.

The above-cited awards clearly establish that so-called "full employment" is not a bar to finding and awarding monetary damages. Moreover, these same awards also establish that when work is improperly assigned to an outside contractor or even other employees who have no contract right to the work, this establishes a prima facie case for the Organization and the burden shifts to the Carrier to prove that the Claimants would have been unable to perform the work through the use of overtime, rescheduling, etc. In the instant case, no such showing was made or even attempted by the Carrier because no such showing was possible. The inescapable fact is that the Claimants had hauled ballast, installed ties, track and switch panels on the property for decades and there is no reason they could not have performed the work at issue here on the claim dates. Hence, the Claimants suffered a loss of work opportunity.

It is transparently clear that arbitral precedent does not prohibit the sustaining of the monetary award in this claim. In fact, precisely the opposite is true. There is ample precedent to mandate a sustaining award on this property. The Referee's finding that he somehow lacked authority or jurisdiction to sustain the monetary claim is without credible support. Instead, the Referee was dispensing his own brand of industrial justice based on his subjective notion of equity.

For all of these reasons, I emphatically dissent with respect to the damages finding in these award.

Respectfully submitted,


Timothy W. Kreke
Labor Member