

SPECIAL BOARD OF ADJUSTMENT NO. 605

PARTIES)
TO)
DISPUTE)
Brotherhood of Railway, Airline and Steamship Clerks,
Freight Handlers, Express and Station Employees
and
Jacksonville Terminal Company

QUESTIONS
AT ISSUE:

1. Is the Carrier correct when it takes the position that the February 7, 1965 Agreement does not apply to the Baggage and Mail Department of the Jacksonville Terminal Company?
2. Does the termination of a mail contract, which had been in existence between the United States Postal Service and the Jacksonville Terminal Company, nullify the provisions of the February 7, 1965 Agreement?
3. Are the employees of the Jacksonville Terminal Company who were employed in the Baggage and Mail Department and who qualified as protected employees under the provisions of the February 7, 1965 Agreement, entitled to continue receiving the benefits flowing from that agreement until such time as they are deprived of those benefits under the express terms of such agreement?

OPINION

OF BOARD:

Under date of September 12, 1975 the Jacksonville Terminal Company issued a bulletin to all Mail Shed employees advising them that all positions would be abolished effective with the close of business on Saturday, October 18, 1975. As a result of this notice, all employees working at the Mail Shed were furloughed. The instant dispute is before this Board inasmuch as those furloughed employees were not accorded any protective benefits which, the Organization maintains, were granted them by the February 7, 1965 Agreement.

The facts evidence that prior to October 18, 1975 the Terminal Company and the United States Postal Service were parties to a contract requiring the Terminal Company to provide the United States Postal Service with necessary services pertaining to their Bulk Mail Operations which services were rendered by the Terminal at their West Bay Annex facility. However, effective October 18, 1975, the United States Postal Service transferred all work relative to mail handling to their newly established Bulk Mail Center at Jacksonville. Accordingly, the Terminal Company's West Bay Annex Mail Shed was completely closed, and inasmuch as there was no longer any work available for the employees thereat since their sole function was to handle United States Mail at this facility, they were furloughed effective October 18, 1975.

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It is the Organization's position that the February 7, 1965 Agreement was applicable on this property. Therefore, the Claimants were protected employees as that term is used in said Agreement and were thereby entitled to all the benefits provided therein. That Agreement, the Organization avers, applied to the Terminal Company in its entirety and not on a departmental basis. Thus, inasmuch as the Terminal Company remains in existence, the Organization contends that the February 7, 1965 Agreement remains in full force and effect, and that the Claimants were entitled to protection thereunder until retired, discharged for cause, or otherwise removed by natural attrition. They submit that merely because the United States Postal Service cancelled their mail handling contract with the Terminal Company, this nonetheless did not nullify or abrogate the provisions of the February 7, 1965 Agreement. Consequently, the Organization requests that inasmuch as the Terminal Company violated the February 7, 1965 Agreement when they furloughed the Claimants effective October 18, 1975, that the Terminal Company is required to return said Claimants to service and compensate them as required by the February 7, 1965 Agreement.

It is the Terminal Company's position that when a facility completely ceases operations as a result of circumstances beyond their control, the provisions of the February 7, 1965 National Agreement thereby cease to exist. Thus, when they were forced to completely close their West Bay Annex Mail Shed upon termination of the mail handling contract with the United States Postal Service, the Terminal Company insists that such complete cessation of business thereby rendered inapplicable the requirements of the February 7, 1965 Agreement.

It is the considered opinion of this Board that the intent of the February 7, 1965 Agreement was to protect those employees covered thereby in the event of a decline in Carrier's business. It was not intended, however, to provide protective benefits when, in fact, the Carrier completely terminated its operations. The record before us reveals that the mail handling facility on this property, was a separate and distinct facility. And when the United States Postal Service cancelled their mail handling contract with the Terminal Company, all the work at said facility ceased to exist. Thus, there was a complete abolishment of the Terminal Company's Mail Handling facility. The employees previously working at the Mail Handling facility could not exercise their seniority to other positions inasmuch as there was no work remaining to be performed at the Terminal Company.

As was stated in Award No. 352 of this Board the parties did not contemplate a complete cessation of business when they negotiated Section 3 of Article I of the February 7, 1965 Agreement. Though the facts in Award No. 352 are distinguishable from those before us, nonetheless the reasoning therein is equally applicable to the dispute at hand.

The Organization places much emphasis on the contention that the Terminal Company is still in existence as evidenced by the fact that several employees are still assigned to the Company's Beaver Street Tower. Yet this Board does not find such fact dispositive of the dispute before us.

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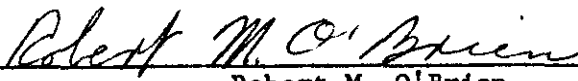
It matters not that some employees are still retained at the Beaver Street Tower. Said employees have nothing to do with the former Mail Shed or with mail handling. Virtually the entire work heretofore performed by the Terminal Company has indeed ceased to exist, and there is simply no work for the Claimants to perform. Merely because the Terminal Company, in the process of winding up its operations and disposing of its property, retains some employees, this nonetheless does not diminish the fact that the Company has completely ceased mail handling operations at their West Bay Annex. There is therefore little likelihood that the Claimants would ever be recalled to service as contemplated by Section 3 of Article I of the February 7, 1965 Agreement. Accordingly, we find the provisions of the February 7, 1965 Agreement inapplicable to the dispute at hand.

AWARD:

Question No. 1 answered in the negative.

Question No. 2 disposed of as per Opinion of the Board.

Question No. 3 answered in the negative.



Robert M. O'Brien
Neutral Member

Dated: Washington, D. C.
March 17, 1977