

SPECIAL BOARD OF ADJUSTMENT NO. 605

PARTIES )  
TO )  
DISPUTE )  
Brotherhood of Railway, Airline and Steamship Clerks,  
Freight Handlers, Express and Station Employees  
and  
Gulf, Mobile and Ohio Railroad Company

QUESTIONS  
AT ISSUE:

- Yone  
C.H.  
H.P.*
- (1) Did the Carrier violate the provisions of Article IV, Section 1 of the Agreement when, commencing with June 30, 1968 it failed to properly compensate Mr. M. B. Clark, a "protected employee" under the terms of the February 7, 1965 Stabilization of Employment Agreement, at the normal rate of compensation of the position held by him on October 1, 1964, plus subsequent general wage increases?
  - (2) Shall Carrier now be required to compensate Mr. Clark by the addition of five cents per hour (forty cents per day) to his guaranteed rate of compensation effective June 30, 1968, and the addition of one and four tenths cents per day to his guaranteed rate of compensation effective July 1, 1968, and continue, including general wage increases subsequent to July 1, 1968, for each and every work day until the violation is corrected?

OPINION  
OF BOARD:

The instant dispute is based upon the refusal of the Carrier to apply a five cents per hour increase to the protected rate of the Claimant. The December 28, 1967 National Wage Agreement, provided for general wage increases as well as a Classification and Evaluation Fund pursuant to Article IV thereof. On April 2, 1968, the parties entered into an Agreement specifying the manner in which the Classification and Evaluation Fund would be distributed, a portion of which is hereinafter quoted:

"Section 1 - -

- - -

The number of cents per hour so determined shall constitute the fund to be allocated as wage adjustments among selected positions carrying rates of pay that are found to need reevaluation and upward adjustments by reason of skills or special job requirements involving higher degrees of responsibility or qualification, as set out more specifically below."

*Dec 11/82  
L.H.*

- 2 -

Section 2, provides various guidelines for distributing the fund in order to arrive at an equitable intra-and inter-relationship between comparable jobs which utilize similar skills and responsibilities, both in the industry as well as in the area.

Section 3, further, provides for a method of distribution in the event the parties are unable to reach agreement.

However, on this property, the parties entered into an agreement on June 19, 1968, implementing the mechanics for such distribution. Briefly, some positions did not receive any pay adjustment, whereas other positions received increases of varying amounts. This, necessarily, brings to the fore the crux of the instant dispute. Is there a difference between a general increase as contrasted with increases under a Classification and Evaluation Fund?

The Neutral Member recently had occasion to grapple with a somewhat similar problem on the Seaboard Coast Line. We believe the following comment contained in Award No. 1, Issue A, is pertinent herein:

"We now approach the question of a general wage increase versus an inequity increase. In a general wage increase, all covered employees receive an equal cents-per-hour increase across-the-board, or percentage increase. The impact here is on all employees. Hence, an inequity increase is the antithesis of a general wage increase. Under an inequity increase, the factors of the job are carefully scrutinized in order to determine whether certain jobs are out of line in the different classifications. If out of line jobs are uncovered, adjustments are applied to realign the dislocation and thereby maintain an equitable system of job classifications. Again, the jobs are examined and rated; at no time is the incumbent who performs the job rated, unless he is paid a red circle rate."

As we view Section 2, of the Classification and Evaluation Fund, the guidelines set forth therein are specifically designed to adjust rates in order to eliminate inequities and to modernize the rate structure.

In this context, is the Classification and Evaluation Fund established under the December 28, 1967 National Wage Agreement, a "subsequent general wage increase," as contemplated by Article IV, Section 1, of the February 7, 1965 National Agreement? The Organization argues that such Fund

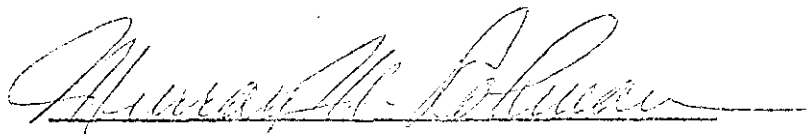
is considered the source for a general wage increase, as this Brotherhood was the only Organization involved in that Agreement. In effect, it was the manifested intent of the parties that the Fund be part and parcel of a general wage increase. In fact, at the time the February 7, 1965 National Agreement was executed, the parties did not envision National Wage increases of the type reflected by the December 28, 1967 Agreement.

We are not unmindful of the Organization's argument. However, in our view, we cannot disregard the phrases which the parties attached to their own agreements. The negotiators, on both sides, were experts in the industry, knowledgeable and sophisticated. They incorporated the words "general increases", "Classification and Evaluation Fund", as well as guidelines for the latter. Hence, we are required to interpret the Agreements as written by them.

It is, therefore, our considered opinion that the increases granted under the Classification and Evaluation Fund are not to be included as a subsequent general wage increase pursuant to Article IV, Section 1, of the February 7, 1965 National Agreement.

AWARD

The answer to questions (1) and (2) is in the negative.

  
Murray M. Rohman  
Neutral Member

Dated: Washington, D. C.  
November 17, 1969