

CANADIAN RAILWAY OFFICE OF ARBITRATION

CASE NO. 316

Heard at Montreal, Tuesday, November 9th, 1971

Concerning

CANADIAN PACIFIC RAILWAY COMPANY

and

**BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS,
FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYEES**

DISPUTE:

Concerning the interpretation of Article VIII of the Job Security Agreement of January 29, 1969.

JOINT STATEMENT OF ISSUE:

Effective May 1, 1970, the scheduled staff of the local wharf freight office was reduced.

The Union contends that the provisions of Clause 1 of Article VIII of the Job Security Agreement were violated when the Company did not give the General Chairman advance notice of two months of this change.

The Company contends that the provisions of Clause 1 of said Article VIII did not apply.

The claims at issue are as follows.

B. M. Heitzman	\$0.66 per day maintenance of basic rate.
D. Seath	\$0.68 per day maintenance of basic rate.
J. N. Murdoch	\$0.62 per day maintenance of basic rate.
K. Coulson	\$1.96 per day maintenance of basic rate.
L. Carlson	\$22.38 per day account laid off.

FOR THE EMPLOYEES:

(SGD.) R. WELCH
GENERAL CHAIRMAN

FOR THE COMPANY

(SGD.) W. W. STINSON
REGIONAL MANAGER, OPERATION & MAINTENANCE

There appeared on behalf of the Company:

D. Cardi	– Labour Relations Officer, Montreal
J. A. McGuire	– Manager Labour Relations, Montreal
L. E. Wedman	– General Agent Local Wharf Freight, Vancouver
J. A. Evans	– General Yardmaster, Vancouver

And on behalf of the Brotherhood:

R. Welch	– General Chairman, Vancouver
W. A. MacKay	– District Representative, Vancouver
W. T. Swain	– General Chairman, Montreal

AWARD OF THE ARBITRATOR

The material provisions of Article VIII of the Job security agreement are as follows:

1. The Company will not put into effect any technological, operational or organizational change of a permanent nature which will effect a material change in working conditions with adverse effects on employees without giving as much advance notice as possible to the General Chairman representing such employees or such other officer as may be named by the union concerned to receive such notices. In any event, not less than three months' notice shall be given if relocation of employees is involved, and two months' in other cases, with a full description thereof and with appropriate details as to the consequent changes in working conditions and the expected number of employees who would be adversely affected.

...

5. The terms Technological, Operational and Organizational change shall not include normal reassignment of duties arising out of the nature of the work in which the employees are engaged nor to changes brought about by fluctuation of traffic or normal seasonal staff adjustments.

The particular claims before me are the result of the abolition of three positions in Vancouver. One of these was that of Yard Clerk, one was that of Clerk (General) and one was that of Clerk (Grain Expense). It was the union's position that these were "technological, operational or organizational" changes which would effect a material change in working conditions. The company contends that these were matters of "normal reassignment of duties", and that by virtue of Clause 5 of Article VIII, could not be considered to be technological, operational or organizational changes.

In some cases, the abolition of a position has been held to constitute an "operational change" within the meaning of Article VIII, some of the cases being reviewed most recently in **Case No. 289**. In the instant case, the union argues that the changes here in question were only a few of a large number of such changes made by the company across the system. In support of this, reference was made to a directive issued by the company to various of its officials requiring a ten per cent reduction in clerical payroll costs. As a result of this, consideration was given to the work performed in a number of assignments, and many changes such as those in issue here were made.

The fact that such a review was made in response to a general directive from a central authority does not require the conclusion that the results of such review constituted operational or organizational changes. It was the company's response to the union's original complaint about the reduction in expenses that it was a response to a decline in general business conditions. Operations in any particular locality, however, might or might not reflect such a decline, and in the particular case before me the company did not argue that the changes were brought about by "fluctuation of traffic". In response to the general directive to cut costs, local supervision considered the work performed in certain positions and decided that some of it was not necessary to be performed. The fact that similar reviews and decisions were being made at other locations does not necessarily require the conclusion that these were operational or organizational changes. If the general directive had set out general principles of organization or methods of work, or if the changes which occurred reflected such principles, then it might be said these were operational or organizational changes within the meaning of Article VIII. Here, however, the general directive, which would have been quite proper whether or not business conditions were in decline, was really to the effect that local supervision should tighten up its operations. In these circumstances, it is not possible to characterize all of the changes which were made in response to this directive as organizational changes or not but rather each must be considered on its own. Certainly, some of the changes made in response to the directive may be organizational changes within the meaning of Article VIII.

As to the particular cases before me, the material put forward by the company shows that in each case either the work load was insufficient the work itself not necessary to be performed. Here, as in **Case No. 284**, there was simply no longer a need for certain work to be done.

In the circumstances of these particular cases, then, it is my conclusion that these have not been the "technological, operational or organizational" changes contemplated by Article VIII of the job security agreement.

(signed) J. F. W. WEATHERILL
ARBITRATOR