

ADMINISTRATIVE

The undersigned Arbitrator, Ronald F. Talarico, Esq., was mutually selected by the parties to hear and determine the issues herein. An evidentiary hearing was held via video on June 7, 2023, at which time the parties were afforded a full and complete opportunity to introduce any evidence they deemed appropriate in support of their respective positions and in rebuttal to the position of the other, to examine and cross examine witnesses and to make such arguments that they so desired. The record was closed at the conclusion of the hearing. No jurisdictional issues were raised.

PERTINENT CONTRACT PROVISIONS

ARTICLE FIVE – WORKPLACE PROCEDURES

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Section I. Adjustment of Grievances

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9. Suspension and Discharge Cases

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b. Justice and Dignity

- (1) In the event the Company imposes a suspension or discharge, and the Union files a grievance within five (5) days after notice of the discharge or suspension, the affected Employee shall remain on the job to which his/her seniority entitles him/her until there is a final determination on the merits of the case.
- (2) This Paragraph will not apply to cases involving offenses which endanger the safety of employees or the plant and its equipment, including use and/or distribution on Company property of drugs, narcotics and/or alcoholic beverages; possession of

firearms or weapons on Company property; destruction of Company property; gross insubordination; threatening bodily harm to, and/or striking another employee; theft; or activities prohibited by Article Five, Section K (Prohibition on Strikes and Lockouts).

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Section J. Management Rights

The management of the plants and the direction of the working forces, including the right to hire, transfer and suspend or discharge for proper cause, and the right to relieve employees from duty, is vested exclusively in the Company.

In the exercise of its prerogatives as set forth above, the Company shall not deprive an Employee of any rights under any agreement with the Union.

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BACKGROUND

The Employer is Cleveland-Cliffs, Inc., which owns and operates multiple steelmaking facilities covered by the within collective bargaining agreement including a fully integrated steel-making operation in Burns Harbor, Indiana which employs roughly 3500 bargaining unit employees and another approximately 600 non-bargaining unit employees. Among the market segments the Company supplies from its Burns Harbor facility are the automotive, energy and construction sectors of the economy while servicing a variety of customers including most of the automakers as well as steel service centers and original equipment manufacturers. The Union, United Steelworkers, Local 6787, is the exclusive collective bargaining representative for all production and maintenance employees at the Plant. The Employer and Union have been parties to a series of collective bargaining agreements over the years, the most recent of which is effective September 1, 2022.

The Grievant, Scott Carlson, was hired on July 30, 2007 and at all times pertinent to the within matter, held the position of Labor Grade III, Operating Technician. On February 8, 2023 at approximately 5:20 p.m., Grievant swiped into the Burns Harbor Plant East Gate to drive to his work location in Steel Producing. He drove on 15th Street to D Street, heading west. Upon approaching the Hot Mill off D Street, Grievant encountered a locomotive approaching a track switch. Video from the locomotive shows the “conductor” looking both ways across the roadway before walking into the road. In addition, at least one flare can be seen in the roadway. At approximately 5:22:47 p.m. of the video, the locomotive begins to sound its alarm and horn, indicating it is going into motion. Just after the conductor crosses the middle of the roadway, Grievant’s vehicle enters the frame (approximately 5:22:53 p.m.) and drives between the conductor and the adjacent locomotive.

Later that evening, the conductor informed his supervisor, Charles Nebelung, Process Coordinator Operations – MEU, via text asserting that he was nearly struck by a vehicle while walking across the roadway. Nebelung then sent an e-mail on the morning of February 9, 2023 to the inhouse security team with a general description of the incident, including the time and the vehicle involved. Security was able to compare the time and vehicle description to cars swiping in the East Gate in the minutes leading up to the incident to identify the Grievant.

Labor Relations interviewed the conductor on February 15, 2023 in the LMI Trailer. The conductor stated that they (himself and the “engineer”) were in the middle of making a move. He stated that he looked both ways before crossing the roadway and saw a car at the stop sign. He indicated that the engineer had the “bells and whistles” going and that the Grievant’s car passed right next to him and came around the front of the locomotive. The video of the incident was played for the conductor. He identified himself as the one in the roadway. He further

pointed out that his pickup truck was parked near the Mill entrance and had its lights flashing. He also stated that he had three (3) other 'fuses' (flares) in the roadway (only one appears on the camera). The conductor was asked why he has to wear hearing protection when working in the roadway; his response was that the whistle on the locomotive is "loud as hell".

Labor Relations also interviewed the engineer on February 15, 2023 in the LMI Trailer. The engineer stated that he operates the locomotive from the back right corner of the locomotive, therefore, he could not see the incident. However, he stated that the conductor radioed him shortly after the locomotive started moving to tell the engineer that the "guy almost hit him".

Labor Relations interviewed the Grievant on February 20, 2023. The Grievant did not dispute that it was him driving the vehicle in the video and as witnessed by the individuals involved. He stated that he was approaching the Hot Mill and pulled up to the stop sign. He acknowledged that he saw the "safety man" and the flares in the road and possibly a second one. He stated that he started "creeping up" but wasn't sure if the locomotive was stopped or not. He said that at some point, he committed to going and accelerated to get across the tracks. He stated that he didn't recall hearing a horn or whistle, but it was possible. He stated that he starts at 6:00 p.m. so he was not in a hurry. He continued that the train was going slowly so he stepped on the gas. He stated that he didn't see the truck and the flashing lights or the railcar sticking out of the building. Finally, the Grievant stated that he had no real training on the situation.

The Company issued a Notice of Intent to Discharge on March 1, 2023 to the Grievant for Disregarding Your Own Safety (No Justice and Dignity); Disregarding the Safety of a Fellow Employee (No Justice and Dignity); Disregarding Rail Safety and/or Procedures (No Justice and Dignity). The Union filed a Step Two Grievance (#23-3027) on the Grievant's behalf on March 1, 2023.

ISSUE

Whether the Employer had just cause to terminate the Grievant? If not, what should be the appropriate remedy?

POSITION OF THE COMPANY

Since there is no dispute that the Grievant is the one driving the car in the video, and there is largely no dispute about what he did, the sole issue is whether discharge an appropriate penalty? Based on the evidence and testimony you've heard today, the Company believes that this question can only be answered in the affirmative and the grievance must be denied.

As a preliminary comment, of glaring omission in this case is the Grievant not testifying on his own behalf in a discharge case. The facts, as outlined in the grievance record must be taken as true as he has not testified to rebut the events as the Company as outlined.

A brief summary of those facts and arguments presented will highlight exactly how the Company reached that conclusion. First, the Company does not dispute that the Grievant stopped at the stop sign as shown in the photographs on Joint Exhibit 9. It should be evident though that this is a fact that does not help the Grievant. The only reasonable and logical conclusion one can draw from this is that he began creeping up, a fact which is acknowledged by the Union in their Exceptions, while the conductor was still in the right lane based on the distance from the stop sign to the actual crossing. All the while, the Grievant admitted to seeing the conductor in the road.

Second, all the safety devices to make the surrounding area aware that train movement was imminent were present – there were multiple flares in the road, the gondala was partially pulled out of the bay, the trucks lights were flashing, and the train, right next to the Grievant's

car, was using its bells and horn – this is all in addition to the conductor being in the roadway. A reasonable person who was unsure of exactly what was occurring would have viewed all of these things combined as telling them that something was about to happen. Here, it is clear that the Grievant was unsure because, in his own words, he was creeping up. If the roadway and crossing were clear and there was nothing to second guess, he would not have had to creep up. If he was unsure in any way, he could have simply waited.

Third, Grievant's own statement that he couldn't recall hearing the bells and horns of the train is completely unbelievable. Meanwhile, something certainly told the Grievant to gun it.

Fourth, the Union's position that somehow a lack of safety investigation provides the Grievant with immunity is absurd. What else was there to investigate from a safety standpoint?

Also of significant importance is that the Grievant has driven through this area countless times. Any implication that he wasn't really sure on how to navigate this crossing would be nonsensical and would only reinforce the Company argument that if he had any doubt or concern as to what was going on, he could have simply waited.

Lastly, throughout the interviews and grievance procedure, the Grievant has continued to shift the blame away from himself. First, he asserted that he used common sense since no one was actually injured; then, it was the Company who failed to train him properly; a fact that he later recanted when the sign-in sheets for the training were produced; today, you heard it is now the conductor's and engineer's fault.

In support of all these arguments, the Company relies on several past arbitration awards.

In USS-44, 562, a 2005 case, Arbitrator Das denied a grievance related to the discharge of an Employee with 28 years of service in a rail related incident. Arbitrator Das noted that "failure to follow safe job procedures is a well-recognized ground for discharge." He further

went on to comment about the Grievant's lack of true accountability in that case to partly explain why he upheld the discharge.

In USS-48, 277 a 2016 case decided by Arbitrator Bethel, the sole issue to be decided in that case, like the case before you, is whether the discipline was too harsh. The facts in the Bethel Award are eerily similar to the facts before you today. The grievant in the Bethel case had 18 years of service, no real citable discipline, and was also trying to beat a train at a crossing. The grievant in that case, as in the case here, was exposed to an identical sign instructing him to "Stop, Look & Listen."

In denying the grievance and upholding the discharge, Arbitrator Bethel stated, "[e]ven the exigent circumstances, employees crossing railroad tracks in a steel mill must exercise caution to avoid exactly what happened in this case." He continued that to determine if there was proper cause for discharge, one must look at whether "there was a reasonable relationship between the offense committed by the employee and the penalty imposed by the Company."

Even acknowledging that the Grievant's misconduct did not lead to serious injuries or property damage, Arbitrator Bethel saw that "the potential for both . . . was substantial," and that the "absence of serious consequences 'was only a matter of happenstance.'" (quoting USS-44, 719, -44,720). Arbitrator Bethel, in examining the Grievant's length of service and work record, found that neither were enough to justify a conclusion that the Company lacked just cause.

Any reliance the Union may have on your 2021 Award from Indiana Harbor is misplaced. In that case, you reinstated an Employee without backpay for careless work when he struck a truck in a rail crossing while he was operating a locomotive. You recognized that he did not violate the terms of the LCA he was on when the accident occurred since it was not repetition of the conduct which led to the initial discharge. In addition, you also found that that the truck

driver in the crossing bore “a significant amount of blame for stopping his truck in the railroad crossing” and “was at least equally to blame for the incident, if not more.” Lastly, in reinstating that Employee, you found that he had over 20 years of service.

Applying those same principles to the case before you today, the Company maintains that the conductor does not bear any responsibility for the Grievant’s decisions. As the Company has maintained all along, the Grievant has routinely failed to take true accountability for his actions. Any argument from the Union that the conductor is significantly or equally responsible for what occurred only continues to reinforce that same lack of responsibility. In addition, the Grievant here only has 15 years of service; not the 20+ years of service you relied on in your Indiana Harbor Decision.

Mr. Arbitrator, the Company asserts that there can be only one conclusion reached after consideration of the facts, evidence and arbitrational precedent before you; and that is a finding that the Company’s decision to discharge the Grievant was reasonable given the circumstances, and in turn, to deny the grievance in its entirety and uphold the discharge.

POSITION OF THE UNION

Mr. Carlson arrived at a stop sign at one set of tracks which is about 100 feet from the set of tracks in question. He stopped, looked, and thought it was safe to proceed. As he was already in motion, the train on the adjacent tracks began to move. Nobody would have any indication this engine would be entering this crossing because the conductor did not block off this crossing with a truck as it would normally be blocked. Scott proceeded to cross the tracks and did so without incident. He did not enter the lane where the conductor was walking, nor did he put him in harm’s way. He was simply navigating a crossing as he had done many times before. There

was no injury, no monetary damage, no near miss filed, and no warning given that simply driving into work could possibly cost him his job.

Today the Union has demonstrated that Cleveland Cliffs had no just cause to terminate Scott Carlson. The Union strongly believes that multiple tests of just cause were ignored in this case. Proper notice of the policy and consequences regarding rail safety are still an unknown to rail workers, and the workers who traverse these tracks every day. There is no clear policy that is enforced or even exists. Senior Division Manager Capehart testified that he is not fully aware of the policies regarding rail crossings. Then, Mr. Nebelung testified as the Company's rail policy expert, he was not even clear on the policies, yet Mr. Carlson is expected to fully understand them even though he does not even work in the Rail Department. As Arbitrator Vonhof stated in another Cleveland Cliffs Arbitration, "Under the standard of just cause, an employee may only be disciplined for a rule violation if the rule or policy itself is reasonable and clear and is made known to the employee. Otherwise the employee does not have an adequate opportunity to know what conduct is required and what conduct is likely to result in discipline, so that the employee may conform his or her behavior to the rule or policy. The lack of clarity in the policy here is a significant barrier for the Company to overcome in meeting its burden of establishing that the Grievant's actions violated the policy and therefore that there was just cause for the Employer to discipline the Grievant for a violation of the policy. (Grievance No. 26-Y-021, Vonhof)

A second major flaw is the overly harsh discipline given to Mr. Carlson. We have asked the question over and over how a 16-year employee with no citable discipline can leapfrog a verbal warning, a written warning, and any suspension to arrive at termination for an incident,

that, even if you follow the Company's evidence, is nothing more than a near miss, even though, they never recorded it as such.

While studying arbitration decisions for this case, I came across a case that was eerily similar to the circumstances of this case that you, Arbitrator Talarico wrote the decision on. It states, "Finally, a significant issue of disparate treatment exists when one compares the carelessness of the truck driver to that of the Grievant. The record amply demonstrates the truck driver was at least equally to blame for the incident, if not more. The fact that he only received a very minor suspension compared to the Grievant suffering the ultimate punishment of discharge cannot be rationally explained simply on the basis that the Company believed this infraction by the Grievant violated his LCA and thus warranted discharge. Regardless of the severity of the Grievant's punishment the truck driver certainly deserved a much more serious penalty assuming the Company truly believed this was a serious incident. Apparently, it did not." (Grievance No.: WR-20-08, Talarico, 2021) We have a long-term employee fighting for his livelihood while the employee responsible for the safety of rail crossings, did not even receive a verbal warning. If you replace the words truck driver, with conductor, and compare the facts in this case, I believe you will find that the Company once again, apparently did not think this was a serious incident with your same applied reasoning.

Mr. Arbitrator, the fact alone that is so-called incident was never reported in the companywide database of near misses and incidents, is proof that what Mr. Carlson did was not even egregious enough to put on paper, let alone be anything worth losing a career over. Scott Carlson is a victim of a Company who has decided that the way to introduce a policy, is to fire enough people that somehow the word spreads. This is no way to treat safety in any Company, let alone one such as Cleveland Cliffs, who has almost unlimited resources to correct the issues

surrounding this rail crossing. You don't investigate these incidents on the sole basis of firing someone. The point should be to find facts and constantly improve working conditions. One thing we agree on is that they need to keep rail workers and the people who cross their tracks safe, but they are ignoring their overall problem of an entire failure of a coherent policy to do so.

Again, the Union requests that you find that the Grievant was not discharged for just cause and that the grievance be sustained. The Union requests that he be reinstated to his position of employment with the Company and that he be made whole in all regards.

FINDINGS AND DISCUSSION

Discharge is recognized to be the extreme industrial penalty since the employee's job, seniority, other contractual benefits and reputation are at stake. Because of the seriousness of this penalty, the burden is on the Employer to prove guilt of wrongdoing. Quantum of proof is essentially the quantity of proof required to convince a trier of fact to resolve or adopt a specific fact or issue in favor of one of the advocates. Arbitrators have, over the years, developed tendencies to apply varying standards of proof according to the particular issue disputed. In the words of Arbitrator Benjamin Aaron, on some occasion in the faraway past, an arbitrator referred to the discharge of an employee as "economic capital punishment". Unfortunately, that phrase stuck and is now one of the most time honored entries in the "Arbitrator's Handy Compendium of Cliches". However, the criminal law analogy is of dubious applicability, and those who are prone to indiscriminately apply it in the arbitration of discharge cases overlook the fact that the employer and employee do not stand in the relationship of prosecutor and defendant. The basic dispute is still between the two principals to the collective bargaining agreement. In general, arbitrators use the "preponderance of the evidence" rule or some similar standard in deciding fact

issues before them, including issues presented by ordinary discipline and discharge cases such as within.

The Company's case is essentially premised upon the video surveillance of the location where the incident occurred. However, after viewing the video several times, I am unable to reach the conclusion that the video, in and of itself, establishes all of the necessary elements to prove the Grievant's alleged wrongdoing. As with most picture/video evidence the parties are limited by what is depicted therein including all inherent weaknesses such as background, weather conditions, etc., that existed at the time of the event. Also, this video camera was stationary and therefore could only capture whatever was in its direct field of vision. Finally, this event occurred on February 8, 2023 at approximately 5:20 p.m. which would be considered dark at that time of the year.

As depicted in the video a vehicle can be seen driving on 15th Street heading west approaching the Hot Mill. The Grievant could not be identified as the driver of the vehicle just from the video. However, based upon swipe times at the Mill entrance, the parties eventually concluded and agreed that the Grievant was the driver of the vehicle depicted in the video. Significantly, however, at no time could I reasonably conclude that the vehicle shown in the video was speeding or driving in what could be considered a careless or reckless manner. Moreover, the Company does not dispute that the Grievant stopped at a clearly observable stop sign just prior to the alleged misconduct and at which time he was positioned parallel with the locomotive.

Off into the distance the video shows two set of tracks. From where the locomotive was stopped it could either proceed straight ahead or eventually switch onto a secondary track that would make a left-hand turn into the Hot Mill and possibly intersect with the Grievant's vehicle

which was proceeding straight. However, since the Grievant's vehicle was parallel with the locomotive, the testimony was clear that there was really no definitive way for the Grievant to know whether the train would proceed straight ahead or make a left-hand turn into the Hot Mill.

The Company argues, however, that there were several "indicators" which should have alerted the Grievant that the train was bearing left into the Hot Mill. However, I find many of those supposed indicators were, at best, insufficient and/or ambiguous enough not to clearly alert the Grievant in which direction the locomotive was heading. Moreover, the indicator that strikes me as the most critically significant is that the conductor was to have parked his pick-up truck in the middle of the roadway near the entrance to the Hot Mill with its flashers on and totally blocking any traffic coming from either direction from going forward and possibly intersecting with the locomotive. Unfortunately, that was not done. Moreover, the way the pick-up truck was situated it was even partially obscured by a gondola that was exiting the Mill loaded with scrap metal. The Company also states that flares were positioned in the roadway alerting anyone driving in that lane not to proceed. However, at best there was only one visible flare.

It appears that the Grievant was unsure of whether he should proceed or not and so he began "creeping up" from when he stopped at the stop sign. The fact that the Grievant was "creeping up" is significant because it indicates he was unsure of what the locomotive was going to do even though he was very familiar with this location. So he proceeded cautiously. That is not the action of a careless or reckless person.

Next, the conductor exited the locomotive and can be seen walking into the middle of the roadway. At that time Grievant's vehicle can be seen driving between the conductor and the locomotive that was positioned parallel to the Grievant's vehicle. Later that evening the conductor informed his supervisor via a text message that he was "nearly struck" by a vehicle

while walking across the roadway. However, rather than being “nearly struck” I believe the conductor was simply just a little surprised to have a car pass by him at that moment. But he was wearing effervescent clothing and a helmet with a light so he clearly was very visible. However, it was that subsequent text message that precipitated an investigation and ultimately led to the Grievant’s termination for the following misconduct:

“The Company contends that the Grievant’s actions were clear and blatant disregards of the safety of all of those involved and violates the Burns Harbor Rules and Regulations related to safety.”

It should be noted that the Grievant was not charged with any specific rule or policy violation. Only misconduct of the highly generalized nature set forth above.

The Employer has promulgated what it identifies as its “Plant Traffic Regulation Program” pursuant to which it affords its employees the privilege of driving their personal vehicles on plant property and parking in close proximity to their work areas. This was precisely what the Grievant was doing prior to starting his shift. Moreover, the evidence reflects that the Grievant was not late reporting for his shift and therefore was not under any pressure to hurriedly drive through this area and park his vehicle.

Of relevance to this matter the Plant Traffic Regulation Program contains the following provision which specifically addresses the issue of vehicle and railroad crossings:

“There are several locations where plant railroad tracks cross the main plant roadways. The majority of these crossings are posted with stop signs and/or flashing, railroad crossing warning lights. All trains have the right of way at all railroad crossings. It is the vehicle operator’s responsibility to determine that no trains are approaching the crossing and to proceed over the tracks only if the crossing is clear. This policy must be strictly adhere to on all permanent or temporary roadways even in the absence of formal traffic control devices.”

Wisely anticipating that these Plant Traffic Regulations would not always be strictly adhered to the Company specifically incorporated a Point System for infractions to determine

when the suspension of these driving privileges may be imposed upon vehicle operators who violate the Regulations. The Program contains a detailed listing of various violations and corresponding Penalty points. For example, speeding one to ten miles an hour over the speed limit would result in the assessment of three (3) points. An improper left or right turn will likewise be assessed three (3) points. Failure to obey stop signs, yield to right of way signs and other traffic control devices will result in the assessment of three (3) points.

Of special significance to the within matter, the Table of Violations addresses the "failure to yield to a pedestrian in a crosswalk" which will result in five (5) points. This violation can reasonably be correlated to the conductor's assertion that he was "nearly struck". Also, the failure to yield to a train at a railroad crossing will be assessed five (5) points. That is precisely what the Employer identifies as the Grievant's misconduct in this matter since the locomotive was turning into the Hot Mill.

The only traffic violations that would result in an indefinite suspension of driving privileges, would be operating a private vehicle without a valid driver's license; failure to maintain proof of financial responsibility; violation of a plant driving suspension; and operating a vehicle while impaired. The Table of Violations also reflects various driving suspension periods such as the accumulation of six (6) to ten (10) points in a twelve month period would result in a five-day driving suspension.

The Traffic Program concludes with the following:

"Suspension days will be scheduled to coincide with the employee's work days. Employees will not be allowed to operate a personal vehicle on Company property during their driving suspension period. Employees will be allowed to park their personal vehicles in the main gate or east office parking lots when available and obtain alternate transportation into the plant during this same period."

The Employer clearly has indicated the degree of concern with which it views each of the various traffic driving violations within its Plant. An employee **failing to yield to a pedestrian in a cross walk** (such as what occurred with the conductor) or **disregarding stop signs or warning lights at a railroad crossing** will both result in an assessment of five (5) Points. However, neither of those infractions would even have resulted in the immediate suspension of driving privileges for the driver, nor does it indicate any additional penalty for these violations. However, as could be expected the Traffic Regulation Program contains the following proviso giving the Employer discretion in assessing harsher penalties where perhaps needed:

“All violations are subject to review by management and the Company reserves the right to discipline employees in addition to the penalties imposed by the Plant Traffic Regulations.”

As such, the narrow issue presented at this juncture is whether the Grievant's actions, as described above, were of such moment or significance as to reasonably cause the Employer to deviate from its well formulated Plan of Penalties for various driving infractions and impose a much more severe penalty upon the Grievant – in fact the ultimate penalty of discharge. The evidence reflects that there was no damage whatsoever to any Company or personal property, and there was absolutely no personal injury suffered by anyone. Nor can this entire episode be viewed as reckless or careless conduct. At best, this is what very generously might be described as a minor “near miss” incident but an incident without substantial culpability on the part of the Grievant. If anything, I find this was really an accumulation of errors on the part of **both** the Employer and the Grievant. Therefore, the Company has not established that it was reasonable for it to deviate from its established Traffic Regulation Program and assess discipline **in addition** to the penalties previously determined and set forth therein.

Finally, I find none of the Awards cited by the Company to be controlling or even persuasive in this matter. Other than standing for some very generalized arbitral principles such

as Arbitrator Das noting that “failure to follow safe job procedure is a well-recognized ground for discharge”, or that even a “near-miss” has the potential for serious injuries, none of these prior Awards are relevant to the facts of this case. Moreover, the case by Arbitrator Bethel of a driver trying to “beat a train at a crossing” is totally contrary to what actually occurred within.

For all of the above reasons, the Company has failed to prove the existence of just cause for the Grievant’s discharge and the grievance must therefore be sustained.

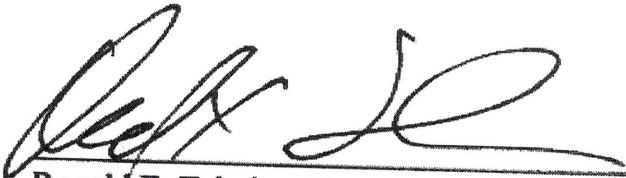
AWARD

The grievance is sustained. The Grievant shall immediately be reinstated to his former position together with the payment of all lost wages and benefits.

The Employer shall be entitled to a set off for any and all unemployment compensation benefits or interim earnings received by the Grievant.

Jurisdiction shall be retained in order to ensure compliance with the Award.

Date: July 21, 2023
Pittsburgh, PA



Ronald F. Talarico, Esq.
Arbitrator