

C#00955

ARBITRATION AWARD

April 7, 1988

UNITED STATES POSTAL SERVICE

-and-

Case No. H4C-5A-C 13378

AMERICAN POSTAL WORKERS UNION

Subject: Interest on Back Pay Award; Regional versus
National Arbitration

Statement of the Issue: Whether interest should
be added to a back pay award granted to A.
Balancio because of the post-award delay of the
Postal Service in making such payment?

Contract Provisions Involved: Article 15, Section 4 and
Article 19 of the July 21, 1984 National Agree-
ment.

Appearances: For the Postal Service,
D. James Shipman, Field Director, Human Resources,
Des Moines Division; for the APWU, Phillip A.
Tabbita, Special Assistant to the President.

Statement of the Award: The grievance does not
present an interpretive issue under the National
Agreement and is therefore remanded to regional
arbitration.

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Labor Relations Department

DISCUSSION AND FINDINGS

A. Balancio was suspended and later discharged from his job in Barrows, Alaska. These actions were set aside by Regional Arbitrator Levak on October 11, 1984. He reinstated Balancio, awarded him back pay and fringe benefits for whatever losses he had suffered but held no interest was due on these monies. A long period elapsed after the award without Balancio receiving his back pay. That delay prompted the instant grievance, filed November 4, 1985, requesting not only the back pay still outstanding but interest as well.

The Postal Service finally gave Balancio his back pay but urged that no interest was justified. It is this interest question which has been appealed to national arbitration. The Step Four answer by the Postal Service stated in part:

"...an arbitrator, in reaching a decision, may require the payment of interest on back pay at the time the award is made; however, no contractual provision exists which obligates management to automatically pay interest on a back pay award..."
(Emphasis added)

The Union apparently read the underscored words to mean that the Postal Service was asserting, as a contractual principle, that an arbitrator could never award interest on a money award because of Management's post-award conduct. At the arbitration hearing, it quickly became evident that this was not the Postal Service's position. Interest, in other words, might in appropriate circumstances be awarded on account of post-award conduct. That being so, there was no longer an interpretive issue under the National Agreement before this national arbitrator. Article 15, Section 4D(1) clearly provides that "only cases involving interpretive issues under this Agreement or supplements thereto of general application will be arbitrated at the National level." It follows that this grievance should be remanded to regional arbitration.¹ This was agreed to by both parties at the arbitration hearing.

¹ The Postal Service had argued throughout the grievance procedure that this grievance did not involve national issues and hence belonged in regional arbitration.

AWARD

The grievance does not present an interpretive issue under the National Agreement and is therefore remanded to regional arbitration.


Richard Mittenthal, Arbitrator

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