

Arbitration is becoming expensive but...

By ELSPETH BEIER
Arbitration — a decisive step in disputed contract settlements — is becoming more expensive, and those involved in the process are seeking ways to cut costs. While expenses soar, unions and employers agree the alternative to arbitration — a lengthy and costly strike — makes no sense.
Arbitration is undertaken after good faith bargaining, mediation and fact-finding fail. An arbitrator hears the final position each side takes. A final, binding decision is then made.
Arbitrators generally are provided through two commonly recognized sources, the American Arbitration Association and the Federal Mediation and Conciliation Service.

FEES NOW RANGE from \$100 to \$500 per day for an arbitrator and are seen increasing. Those fees exclude additional costs for attorneys, court reporters, hearing room rental and a written opinion.
While each of the past five Birmingham Education Association (BEA) arbitrations have cost \$1,000 each, (with the union and the board of education splitting the cost) industry spokesmen say their contests cost many times more than that.
"The cost of arbitration is not a determining factor in bringing a case, but the use of an attorney and court reporter and so on is. It has to be important to the group to go to that expense," BEA executive director Gerald Haymond said.
Southfield attorney David Klein, whose firm Sharples, Klein and Gale represents building trades, office employee and college employee unions, said they save on arbitration costs in various ways.
"We often ask an arbitrator for an award, without any written opinion. If one party wants the written document, it can pay for it separately," Klein said. "This saves time and money."
EX-CELLO CORP. vice president in charge of personnel Robert M. Jones explained how arbitration costs are kept down in that large machine tool company.
"Generally in our labor contracts there is no provi-

sion for lawyers and court reporters. Unless a similar case is already in court, we don't bring in a labor attorney.
"We don't hire a special place for hearings; we use the American Arbitration Association quarters. If one of the parties loses in arbitration, often the contract calls for that group to pay the costs," Jones said.
The Teamsters Union has a different way of handling arbitration problems, according to Michael Cecil Bane, Local 614 business representative.
"The teamsters are different from most other unions. We have our own panel for arbitration, made up of five employers and five union people, and chaired by Neil Dalton, with an attorney chairman for the employers," Bane explained.

"If there is a deadlock, the matter goes to Chicago, and if that doesn't work, it goes on to union offices in Washington," he continued.

"We also meet locally once a month before an arbitration committee, scheduled at the Somerset Inn, to arbitrate grievances."
"Only if there is a big problem do we bring in our labor attorney, Meyer Lieb of Southfield," Bane said.
Jack Stieber, director of the Michigan State University School of Labor and Industrial Relations, says the "new-fangled methods cost more, and take much more time."
He looks back fondly to the days when a union member and company staffer presented their cases and the arbitrator took notes. A decision was reached very quickly then, he said.

STIEBER and Klein call accelerated arbitration "a light in the forest."
This method calls for an empire, half-day hearings and no written testimony. A court reporter and post-hearing briefs are eliminated.

Selecting an arbitrator is one of the difficulties parties to the dispute encounter.
Arbitrators are drawn from lists provided by the AAA and the federal service. A man assumes the quasi-judicial role after years of experience in the field. His reputation is based largely on published findings.
Stieber disagrees with the idea of flying an arbitrator across the country to hear a case, unless it is an earth-shattering one. Klein agrees.
While Stieber and an associate suggest employment of younger, less expensive arbitrators, a corporate officer wishing to remain anonymous said, "It is a chicken and egg thing."

"ARBITRATION IS A tough job if it is full-time. These men always see people in an adversary position. If they are inexperienced, they won't get cases assigned to them and then how do they build reputations?" he asked.
Although many agree arbitrators' decisions go 50-50 in favor of management and labor, Rochester City Manager William Sinclair disagrees.
"There is a real flaw in labor contract arbitration, especially with regard to firemen and policemen. Once an arbitrator packs his bags, he leaves the community to figure out how to raise more money."
"At the same time, if two of the municipal unions get favorable decisions from an arbitrator, the reflection of those decrees goes right through the whole employee spectrum," Sinclair said.
Explaining further he said, "The process whereby both sides choose an arbitrator is done more often by unions than by municipal governments."

"CITIES AND TOWNS rarely have to make this choice, but the overall American Federation of State, County and Municipal Employees union does this regularly," he said.
Many communities end up with unsatisfactory settlements, but don't communicate to others regarding the arbitration and resultant problems. The unions on the other hand keep very well informed, the manager said.



A costly alternative to arbitration

The Observer & Eccentric BUSINESS

JUNE 13, 1974

(C) 1-D

Beauty shop contains ol' Detroit's remains

By JAY R. STUCK
The weathered wood planks that panel the Beauty Parlor's walls date from the turn of the century — each with its original square nails.
Replete with white porcelain doorknobs, kerosene lamps, gas burners and refinished stairway banisters, the hair salon's interior is furnished with antiques saved from the bulldozer's path.
Accumulating the melange of circa 1900 memorabilia has been a two-year pastime for John Graham Jr., owner of the Beauty Parlor, 29275 W. Fourteen Mile, Farmington Hills.
His explorations of old homes in Detroit's Chene-Lafayette area has resulted in a remarkable collection of items used to decorate his shop.
"THE PIECES GIVE a sense of warmth and nostalgia, they're

appealing to both young and old," Graham said.
In addition to the items that attics, basements and closets of abandoned homes have yielded, Graham also removed and restored several examples of gingerbread architecture that adorned earlier-day city homes.
"The style was very popular, intricately carved cornices, porch columns, brackets and designs above windows were common then," Graham said.
"Unfortunately, you just don't see anything like that around anymore," he added.
Graham also scavenged dumping grounds near downtown Detroit's main post office for bottles of all shapes and sizes, happened upon a rare turn-of-the-century baby carriage in a back alley and found a cobblestone street near an old railway close to Cobo Hall.

"WOMEN FIND THE décor very comfortable," Graham's wife, Basila, said.
"They don't mind having to wait a few minutes, instead, they enjoy looking at the pieces," she added.
Graham's collection also includes bottles, rocks, old rigging, rope, boat blocks and chains found while scuba-diving in Lake Michigan.
His two-car garage is completely filled with other pieces he didn't have room to fit in the shop, Graham said.
"I'm constantly receiving offers from people to buy something they've seen in my shop, but I always turn them down," Graham said.
"Maybe it's because most of these pieces are irreplaceable, and I think they should be displayed for the public to see."
"But more than that, I want to see what remains of old Detroit is kept in the area," Graham said.



A stump and a wheel make up part of the decor inside the shop



John Graham Jr. rests inside the Beauty Shop (Photographed by Art Emanuel)



How about an old-fashioned kettle?