

In the Arbitration between:)	Arbitration No. 34
)	
Inland Steel Company)	Before
(Indiana Harbor, Indiana))	Harold M. Gilden
)	Arbitrator
and)	
)	Hearings, September 14 and
United Steelworkers of America)	16, 1948.
Local 1010, CIO)	

REPORT AND DECISION OF ARBITRATOR

This arbitration involves three issues submitted for award to Harold M. Gilden. Hearings were held at Indiana Harbor, Indiana, on September 14 and 16, 1948, at which all parties were represented and fully heard. The Union was represented by Joseph Jeneske, International Representative, Harry Powell, Local President, O. H. McKinsey, Chairman Grievance Committee, John Sargent, Peter Calacci, and Harold Kraft. The Company was represented by William Price of Pope and Ballard, Attorneys Lee B. Luellen, Assistant to General Superintendent, William A. Blake, Superintendent Labor Relations and Herbert Lieberum, Divisional Superintendent of Labor Relations.

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NATURE OF CASE

The question to be determined is whether or not the Streine Slitter day rate, as adjusted on November 4, 1946, should be made retroactive to the filing date of the instant grievance.

This grievance is dated July 10, 1946 and reads:

"Men on above unit request change in rate as operator on Streine earns less than feeders on other slitter units - giving them no incentive for operating the Streine slitter."

The Streine Slitter is one of the shearing and slitting units in the cold strip mill, the crew consisting of operator, catcher and feeder. All of the shears and slitters in the department are in one promotional sequence, and the Streine Slitter is at the bottom of the unit sequence. However, the job sequence within the unit ranges from feeder to catcher to operator, and the operator on the Streine has a higher rating than feeders on catchers on some of the other units. These jobs are paid on the basis of total tonnage produced with a guarantee of a minimum day rate. Prior to November 4, 1946, the \$10.70 guaranteed day rate for operators on the Streine Slitter compared unfavorably with the guaranteed day rate of \$13.76 for the operators of the other shears and slitters. Also, during the war period there was little demand for the product processed on the Streine Slitter was resulting low tonnage schedules, and during this period, it was customary for the operator on the Streine to claim an available feeder's job on one of the other units. Although this switch gave the Streine operator lower job rating, his take home earnings were increased because the feeder's share of the tonnage rate on a unit regularly operating on a tonnage basis was greater than the operator's guaranteed rate on the Streine.

With the end of the war there was considerable increase in activity throughout the entire cold strip mill in general, and in the Streine Slitter in particular. This situation provided an opportunity for the crew on the Streine to move up into higher paying jobs, and periodically, the Company had to re-staff the paying jobs, and periodically, the Company had to re-staff the Streine with inexperienced personnel. The purpose of the instant grievance was to obtain a rate adjustment sufficient in amount to suppress the desire of the Streine crew to transfer to other units.

In the first step of the grievance procedure, A. J. Castle, Mill Superintendent informed the Union that the tonnage rate on the Streine would be re-studied to determine whether a revision in that rate was appropriate. The Industrial Engineer's report on such evaluation was that the rate itself was entirely proper, but the failure to make tonnage was due to the shortage of tractors, and on that account it was impossible to service the unit properly. The Company was anxious to hold the men on the slitter, and as an inducement, it offered to increase the operator's guaranteed day rate on this unit from \$10.70 to \$13.76, which was the prevailing day rate on the other units.

The Union agreed to accept the increased guaranteed day rate in lieu of a higher tonnage rate. The Company made the new rate effective as of November 14, 1946. The grievance was processed to arbitration when the Company refused to make the rate retroactive to the date on which the grievance was filed.

Union's Position

1. That the Streine Slitter crew were kept on their jobs by assurance from their foremen that the rate adjustment would be made retroactive.
2. The adjustment in the guaranteed day rate granted the request of the grievance. The new rate was a compromise which directly resulted from collective bargaining procedures.
3. It has been the consistent practice to make rate adjustments retroactive to the date of the grievance, and the Union in this particular instance is merely requesting that this practice be continued.
4. That the rate should have retroactive application to July 10, 1946.

Company's Position

1. That the grievance was denied because there was no contractual basis for granting an increase in the tonnage rate.
2. The adjustment in the guaranteed day rate was not related to the subject of the grievance. It was voluntary act on the Company's part, and was brought about by a combination of circumstances taking place after the filing of the grievance.
3. That the increased day rate was not put into effect in response to the request of the grievance or in furtherance of any contractual obligation to alter the rate. The fact that it incidentally ~~sxz~~ satisfied the demand is not a sufficient reason to permit retroactivity.

Discussion

The labor contract of April 30, 1945, applicable to the determination of this grievance, contains the following provisions:

ARTICLE IV

Rate Establishment and Adjustment

It is recognized that changing conditions and circumstances may from time to time require adjustment of wage rates. Changes in methods of equipment as well as quality standards bring about changed production standards, all of which influence wage rates favorably or adversely beyond standards of proper remuneration. Under such circumstances the following procedure shall apply.

New Occupations

Section 1. When a wage rate for a new job is installed the employees affected may, within not less than two months and not more than twelve months, file a grievance alleging that such new rate is improper, and it shall be considered under the normal grievance procedure. The decision shall be retroactive to the time when the aggrieved employee started work on the new job.

Section 2. Changed conditions, Methods or Equipment.

It is realized that from time to time there will be changes that enhance or decrease productivity and substantially affect earnings. With respect to a change in rates, due to change in job content, the present practice of the Company and the Union shall continue except as herein modified. Such cases shall be governed by the principle that the new rate should be in line with other rates in the plant. *** If no agreement is arrived at the Company shall put the rate into effect and after a reasonable period of not less than thirty days or more than six months this new rate may be considered under the normal grievance procedure, and any change in the rate so determined shall be retroactive to the date of the assignment of the employee to the changed job.

ARTICLE VI

Adjustment of Grievances

Section II *** There will be no lockouts and the settlement of all grievances will be made retroactive in accordance with this agreement. *****

At the time of the filing of this grievance the Company was vitally interested in retaining experienced men on the Streine Slitter. Already it was apparent that the influx of new business would demand steady operation and increased tonnage from this unit. To meet this situation the Company had to cope with two problems, namely, 1, the present threat that the experienced crew would request transfer to other units, and 2, a shortage of tractors to bring a constant supply of coil material to the unit. As matters then stood, the Streine crew were not making their tonnage rate, and were obliged to fall back on their guaranteed day rate. It was impossible to obtain suitable tractors at the moment, and until a source of supply could be found, the day rate, rather than the tonnage rate, would continue to govern the earnings of the Streine Crew.

The Company entered into the resolution of the grievance with sympathetic understanding. A sincere effort was made to determine whether an appropriate basis for a tonnage rate adjustment existed. When the tonnage rate was re-analyzed and found to be sound, it was concluded that the tractor shortage was a change in conditions sufficient to warrant an upward revision in the guaranteed rate. The Company formally offered to increase this rate, and the Union accepted.

The request of the grievance was a change in rate, and the revised day rate was accepted by the Union in full, settlement of its demand. While it is true that a new tonnage rate was the original goal, and far more preferable from the Union's viewpoint than a new day rate, the language of the grievance does not limit permissible relief only to the establishment of a more favorable tonnage rate. The word "rate" as it appears in the grievance is broad enough to include both tonnage rate and day rate.

There is no question that it was the filing of the grievance which precipitated the re-study of the incentive rate, and ultimately resulted in the Company's offer to increase the day rate. Certainly, if that study convinced the Company that its tonnage rate was too low, there would be no dispute that the new tonnage rate would be made retroactive to the date of the grievance. The fact that the Union settled for less than its full demand does not take the new day rate out of the area of a negotiated rate. That the new rate was accepted at the figure proposed by the Company does not transfer it into a gratuitous offering without contractual sanction. The Arbitrator concludes, therefore, that there is ample evidence to support a finding that this adjusted day rate was bargained out by the parties, and in accordance with the accepted practice at this plant, it should be made retroactive to the date of the grievance.

Award

That the Streine Slitter day rate should be applied retroactively to July 10, 1948.

Respectfully submitted

Harold M. Gilden
Arbitrator

October 18, 1948