

In the Matter of:

UNITED STEELWORKERS OF AMERICA, )  
LOCAL UNION 1010 )

and )

INLAND STEEL COMPANY, )  
INDIANA HARBOR, INDIANA. )

GRIEVANCE NO. 15-C-44

ARBITRATION NO. 72

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The Hearing was held in the Labor Relations Meeting Room,  
Plant 1 Clockhouse of the Indiana Harbor Works Plant of the Inland  
Steel Company, East Chicago, Indiana, on April 1, 1953 at the hour  
of ten o'clock A.M.

PRESENT

MR. W. T. HENSEY, JR., Assistant Superintendent, Labor Relations  
Department,  
MR. R. P. SCHULER, Assistant Superintendent, 44" Hot Strip Mill,  
MR. F. L. COOMBS, General Foreman, No. 1 Finishing, 44" Hot Strip  
Mill,  
MR. L. E. DAVIDSON, Industrial Engineer, Industrial Engineering  
Department,  
MR. R. ARZBAECHER, Industrial Engineer, Industrial Engineering  
Department,  
MR. L. R. BARKLEY, Divisional Supervisor, Labor Relations Department,  
MR. W. A. DILLON, Divisional Supervisor, Labor Relations Department,

on behalf of the Management:

MR. JOSEPH B. JENESKE, International Representative,  
MR. FRED A. GARDNER, Vice Chairman of Grievance Committee,  
MR. P. CALACCI,  
MR. W. BROWN, Grievance Committeeman,  
MR. W. P. PRZONDO, Aggrieved Employee,  
MR. SIMON G. RACICH,  
MR. ANDREW A. FIRREK, Member Aggrieved Group,  
MR. JOHN G. STEPHEN, Aggrieved Employee,

On behalf of the Union.

Both parties presented typed statements, with exhibits, and added verbal statements regarding the issues in this case. A transcript of these statements were received from Mr. Peter J. Klein, on or about April 15, 1953.

A post-hearing statement, dated April 21, 1953, was received from the Union, on April 22, 1953. A post-hearing statement dated May 6, 1953 was submitted by the Company. On May 22, 1953, your arbitrator talked by phone with Mr. W. T. Hensey, Jr., Mr. H. C. Lieberum and Mr. L. E. Davidson asking for a clarification of some terms, particularly "lifts", "wasters", and also a resume of the number of men working on each gang of the Hallden Shear Division, both on the Hot Strip Mill and in the Cold Strip Mill. They were asked to advise Mr. J. B. Jeneske that the arbitrator had sought this information by phone, and it is to be presumed that this was done and accepted by Mr. Jeneske.

#### NATURE OF THE CASE:

The above named Union, United Steelworkers of America, Local 1010, filed Grievance No. 15-C-44 on November 15, 1951, stating:

"Incentive rates installed on the #4-#14 Hallden Shears in the 44" Finishing End concerning Grievance 15-C-11, of September 14, 1948, are inappropriate, and they do not provide equitable incentive earnings existing in other departments on like jobs."

The relief sought:

"The aggrieved request that this rate be revised so that it

will provide equitable incentive earnings existing in like departments on similar occupations."

THE ISSUE:

The issue before the arbitrator therefore, becomes one of deciding whether or not the Company is guilty of violation of contract, as provided in Article V, Section 5, Procedure 4, of the Collective Bargaining Agreement in effect on the date of filing of this Grievance. In effect, the decision is to be determined on the facts presented as to whether or not Rate File 75-0901 meets the contractual requirements in any or all of four ways:

1. Are the Earnings equitable Incentive Earnings in relation to other Incentive Earnings in the Department?
2. Are the Earnings Equitable Incentive Earnings in relation to a like Department involved?
3. Are the Earnings Equitable Incentive Earnings in relation to previous job requirements.
4. Are the Earnings Equitable Incentive Earnings in relation to the previous Incentive Earnings?

The period to be covered, by the figures which were given us, is between the dates of November 26, 1951 and February 17, 1952, and information from any other period is not particularly relative to this case.

1. Are the Earnings Equitable Incentive Earnings in relation to other Incentive Earnings in the Department?

Examination of Exhibits E, F, and E-1 presented by the Company

and the Exhibits No. 3, 4 and 4-A presented by the Union were examined relative to averages Incentive Earning ratios for job classes varying from Class 25 through Class 10. Even though these Exhibits take periods before and in one case slightly after, the above mentioned time period, November 26, 1951 to February 17, 1952, there seems to be no great variance with respect to most of the jobs. However, in the case of the Circle Shears Nos. 12, 13 and 15 and on Two-Hi Skin Mills, they seem to have extremely high ratios, for some reason which is not particularly pertinent in this case, since all records show high ratios for these groups. Other groups, such as maintenance, show low ratios consistently. The averages, as a whole, are lower than those of the Hallden Shear Division of the 44" Hot Strip Mill.

I find that the majority of these rates are consistent, hence, I must conclude that the Incentive Earnings in the Hallden Shear Division are in line, and equitable Incentive Earnings as related to other Incentive Earnings in the 44" Hot Strip Mill, which is the department under consideration.

Under heading No. 2, "Are the Earnings equitable Incentive Earnings in relation to a like department", there is much discussion on the part of the Company and the Union regarding the "likeness" of the Hallden Shears Department in the Hot Strip Mill to that in the Cold Strip Mill.

Since the base rates are dependent upon the Class of the Job, which is taken from a Job Evaluation Rating, and are part of the contract, there can be no quarrel relative to the Job Class Rates as set forth in Article V, Section 1 of the Collective Bargaining Agreement. In the 44" Hallden Shear Division of the Hot Strip Mill, we have the

operator in Class 12, piler and inspector in Class 8, two feeders in Class 5 and a piler in Class 4, Job Ratings. On the 48", 54", 66" and 74" Hallden Shear Division of the Cold Strip Mill, we have the operator listed as Class 12, first class inspector as Class 8, piler and inspector as Class 4 and feeder as Class 2 - a notable difference as to the two last named of the above mentioned crew, namely, the piler-inspector and feeder on the Cold Strip Mill, Hallden Shear Division, are paid less than similar jobs on the Hot Strip Mill Hallden Shear Division, because of their Job Classification. This has to do only with their base rate of pay and it may be that their jobs may not be similar to those in the Hot Strip Mill, even though the Job Nomenclature is the same for these particular crew members.

While it appears that the entire operation, from the coils through the rolls, the shears, to the inspection and piling of wasters and primes, and final piling, seem to be the same, it can only be said that they are similar in some instances. There is a five-man crew working on the Hot Strip Mill, Hallden Shear Division, and a four-man crew operating the Cold Strip Mill, Hallden Shear Division, hence, it becomes obvious that the two departments are not "like" departments and should not be considered as such.

There seems to be several unusual contradictions that come to your arbitrators attention at this time. 1. There are in the last two Classes of Jobs on the Cold Strip Mill, paying a lower Base Rate, but a higher Total Rate than the similarly named Jobs in the Hot Strip Mill, Hallden Shears. 2. The coil threading rates for the Cold Strip Mill are greater than for the Hot Strip Mill. 3. Another difference noted is that the Cold Strip Mill, Hallden Shears is paid for "Lifts", but not for

"Wasters", but there is no allowance for those in the Hot Strip Mill Hallden Shears, Rate Schedule. Since the tonnage rate for gauges and widths differ in the Rate Schedules. The difference must be in the tonnage rates as declared by the Company. 4. There are two feeders in the Hot Strip Hallden Shears and only one feeder in the Cold Strip Hallden Shears. 5. From the crew set-ups, it is obvious that the incentives for each of the crew members will be less in a five-man crew than if a four-man crew were used.

Considering all the above, leads your arbitrator to believe that there is no marked similarity between these two departments and, hence, they cannot be considered "Like" in the full meaning of the term.

3. Are the Earnings equitable Incentive Earnings in relation to previous Job Requirements?

It is very difficult for your arbitrator to determine Job Requirements in all phases of the term, but since it has been brought out in discussion by the Union, and followed up by a reply from the Company, that Job Requirements might mean "Productivity", we shall decide that Job Requirements mean Productive Output. It cannot be possible that an increase in Output would bring a decrease in pay, if an established Incentive Rate of Pay based upon tonnage and allowances, as appear in Rate Schedule 75-0901 is used for pay determination.

Therefore, I cannot agree with the Union's argument that more productivity is required, and that the pay is less for higher productive output. It would seem that changing ratios regarding the amount of light gauge tonnage and heavy gauge tonnage material mix, might account

for an increase or decrease in earnings, however, the records which have been made available do not show any unusual variation in the light gauge and heavy gauge mix ratios during this period. Hence, I cannot agree that the Job Requirements have changed, especially for the period of time being considered.

4. Are the Earnings equitable Incentive Earnings in relation to the previous Incentive Earnings?

There is no doubt about there being a previous inequity in earnings because of a preponderance of light gauge and narrow width runs, but something was done to correct this unbalance in Earnings when the rates were revised for 13 gauge and heavier materials in setting up Rate Schedule 75-0901. The Company raised the tonnage rates for 13 gauge and heavier and left the lighter gauge the same, but from the information I have in the figures available, there doesn't seem to be any great variance in the earnings under these changes conditions. The Union has presented tonnage figures for December, 1952 and January, 1953 which I cannot accept because they are not pertinent to the time period in question.

Further information on the matter, particularly in the Company's Exhibit marked Exhibit D whereby the operator's average are the earnings for the 44" Hot Strip Mill, #14 Hallden Shear from August, 1951 to February, 1952 shows no particular great rate of fluctuation, but does show an earning margin of approximately 39.3% over the base rate for August, September and October and an average of approximately 42% for November, December, 1951 and January, February, 1952. While this is a variation, it does show an ascending margin, which would be indicative of greater, not lesser, total earnings. There can be no

reduction in Incentive Earnings if there is an ascending percentage, hence, I cannot agree with the argument that the previous incentive Earnings were different, particularly lower to any great extent, than those during this 4 1/2 month period when the Rate 75-0901 was in effect.

#### SOME CONCLUSIONS AND ADDITIONAL INFORMATION

It is noticeable from going through the large amount of data that has been turned over to your arbitrator that there may be a misalignment in some rate schedules and earnings, but it doesn't appear that the misalignment is in the Hot Strip Mill, Hallden Shear Division. Since these rates under Rate Schedule 75-0901 which was installed, have been used for a time in the plant, they must be considered as being acceptable rates for the groups over this period of time. It would seem that the arguments that have presented regarding these changed rates in question as being inequitable, is not a matter to be decided in this particular case, especially from the viewpoint of the data presented, and particularly so since these rates have been changed again, for at least a portion of the tonnage ratings in the newer Rate Schedule 75-0901-1 which has no bear in these arguments.

It is not proper for your arbitrator to do any more than suggest that the "creepage" in Earning differentials, with regard to wage payments in different departments has probably occurred over a long period of time and cannot be carried over into other departments in your plant. Your arbitrator can only report that this condition seems to exist, and hence, can only offer, as a suggestion, which you may or may not follow as you see fit, that consideration be given to the



four and five man crew situation when figuring the amount of pay, because, if a four-man crew can operate at the highly productive rate they are now doing on the Hot Strip Mill, there is no doubt in your arbitrator's mind that all men on the Hot Strip Mill would receive a greater Incentive pay, hence, a greater Take-Home pay in the final analysis, if a four-man crew were possible. We must conclude, then, that these are not "like" crews and these are not "like" departments.

The conclusion I must draw then from my above statements, and study, is that the Company has not been in violation of Article V, Section 5, in any way whatsoever with regard to the particular period and conditions; which are covered by this arbitration, and hence, must say that since there is no violation, the conditions will have to stand as they have been set up by the Company in the Rate Schedule 75-0901.

/s/ C. ROBERT EGRY

C. ROBERT EGRY  
Sole Arbitrator