BEFORE
JOHN W. VANDERSLICE

IMPARTIAL ARBITRATOR

June 27, 1956

INLAND STEEL COMPANY	)	
	)	
and	)	Grievance No. 16-E-19
	)	Arbitration No. 150
UNITED STEELWORKERS OF AMERICA	)	
LOCAL UNION 1010	)	

ARBITRATOR'S AWARD

The Question To Be Decided

Whether or not the Company properly denied Grievance No. 16-E-19 which was filed on February 12, 1955, by Relief Cranemen in the Cold Strip Department alleging that a violation of Article XIV, Section C, of the July 1, 1954, Collective Bargaining Agreement took place on January 17, 1955.

Decision of the Arbitrator

The Company was proper in its denial of Grievance No. 16-E-19, filed February 12, 1955.

Respectfully submitted,

/s/ John W. Vanderslice

John W. Vanderslice, Impartial Arbitrator

OPINION

Summary of Facts of the Case

On page 132 of the transcript is a list of incentive plans dating back to 1943 which provided a basis for incentive payment. Plan No. 53-W-8A and 53-W-8B specified that Relief Cranemen were to be based on the pickle house cranes. It is a fact that the relief crane's tonnage rate was the same as the highest in the department.

Incentive Plan 53-W-8b (supplement) established average hourly earnings for the Relief Craneman until a new incentive rate was established.

Incentive Plan 77-1307, installed April 14, 1952, was the first time an incentive plan, affecting Relief Cranemen, specified the cranes relieved. This plan (77-1307) also was the first one specifically stating that the Relief Cranemen's earnings would be based on the highest total average earnings paid to any one of the cranes listed.

On January 17, 1955, the Company decided to provide relief for #3 Annealing Department cranes (#36, 37, 43). These cranes earned more per hour than the highest in the group on which Incentive Plan 77-1307 was based. The Company continued payments under 77-1307; but when Relief Cranemen worked on cranes #36, #37 and #43, the proper occupational rate for time spent in relief of these cranes was paid.

The Union's Position

The Union contends that the Company has established a past practice, since 1943, to pay Relief Cranemen the same earnings enjoyed by the top crane they relieved.

The Union also contends that this alleged violation is properly filed under Article XIV, Section 6, of the Collective Bargaining Agreement because the Incentive Plan, 77-1307, is not an incentive plan but a wage agreement and, therefore, can be called a "local condition and practice."

Mr. Clifton, on page 177 of the transcript, states that "It is the Union's contention, to put it briefly; that an incentive plan should be devised to pay an individual for the amount of work being performed by him. This is not true of the Relief Cranemen so-called incentive plan. It was not devised by any accepted industrial engineering methods, as all other incentive plans in this plant and most other plants that I am familiar with use at arriving at so-called incentive rates."

The Company's Position

The Company contends that there is no past practice under which earnings for all Relief Crane Operators are determined and, hence, no violation of Article XIV, Section 6; that incentive earnings have always been based on wage incentive plans properly presented and installed under rate provisions of Article V, Section 5; that Wage Incentive Plan 77-1307 did not become inappropriate on January 17, 1955, when the Company made a decision to provide relief for the #3 annealing cranes; and, finally, that when relief is provided for the #3 Annealing Crane Operators, they are being properly paid under the provisions of Article V, Section 8, of the Collective Bargaining Agreement.

Opinion of the Arbitrator

The Arbitrator cannot agree with the Union when it attempts to characterize such wage payment plans as local "working conditions."

Wage incentive plans that are applied directly to an individual operator are the most effective. As the application of incentives spreads out to cover more of the employees, the relationship of a particular individual's contribution to the earnings of the group becomes rather remote. However, these plans, regardless of how applied, must be considered under the governing clauses of the Collective Bargaining Agreement on wage incentives. The Arbitrator feels that the establishment of a precedent of removing some of the present incentive plans from the provisions covering their establishment and adjustment would not be a proper interpretation of the existing agreement between the parties. He also feels that the Union has developed their position, in this particular case, in order to win a specific dispute without regard to the effect a decision in their favor might have on future disputes of this nature.

June 27, 1956