INLAND STEEL COMPANY)
) Grievance No. 16-E-53
- and -) Docket No. IH-39-39-7/3/56
) Arbitration No. 240
UNITED STEELWORKERS OF AMERICA)
Local Union No. 1010) Opinion and Award

Appearances:

For the Union:

Cecil Clifton, International Staff Representative
Fred Gardner, Chairman, Wage Rate & Incentive Review Committee
J. Wolanin, Acting Chairman, Grievance Committee
J. Sargent, Grievance Committeeman

For the Company:

W. Price, Attorney
W. A. Dillon, Assistant Superintendent, Labor Relations Department
J. Herlihy, Superintendent, Industrial Engineering Department
J. Federoff, Divisional Supervisor, Labor Relations Department
J. Kekich, Assistant Superintendent, Cold Strip Department

The grievance, filed on February 21, 1956 on behalf of the crews of the 74" Wean Slitter in the Cold Strip Department, claims that the incentive plan applying to their operations (File No. 77-0633) has become "inappropriate" within the meaning of Article V Section 5 because of mechanical improvements and changes in equipment. It is requested that a new incentive be installed

> "providing, in the light of the new and changed conditions which will provide equitable incentive earnings in relation to other incentive earnings in the department or like department involved, and the previous job requirements and the previous incentive earnings."

The grievance is based upon the provisions of Article V Section 5 of the 1954 Agreement.

The equipment involved in this case (hereinafter referred to as the Slitter) was utilized originally to trim the edges of steel strip or to rewind coils that had telescoped during processing or required rewinding for reinspection. Both hot and cold rolled steel were processed. The Slitter consisted of a pay-off reel, guides, dual pinch rolls, rotary side trimmers, a wiper, scrap choppers, a tension reel and a coil ejector. From time to time there were additions to and modifications of the equipment. Thus, in 1954 a scrap conveyor and box were added as well as a manually operated wiper. Prior to January, 1956 the Company desired to adapt the Slitter for the welding of parts of coils that had been broken during tandem reduction. Accordingly, in that month the Slitter's pinch rolls were replaced by a leveller; a drop-table and a welder-shear unit were added; the wiper was replaced by one hydraulically operated, and an improved tension reel was installed. The coil ramp was reduced in size. Subsequently, the wiper was removed for a short period of time and then replaced by a hydro-pneumatically operated wiper. A pneumatic shear was installed in June, 1957.

From the center of the feed reel to the center of the tension reel, the Slitter, prior to January, 1956, measured 26 feet 9 inches. After the changes had been effected, its dimensions, using the same basis of measurement were 41 feet, 6 inches.

The basic work procedures for the slitting and rewinding operations both before and after the alterations and modification of the Slitter were substantially the same. As will be pointed out below, however, the Union claims that slitting and rewinding is more time-consuming by reason of the changes, notwithstanding the fact that the welder is pushed out of line when it is not in use.

Originally, the crew (Feeder, Inspector and Operator) were paid special hourly rates for hot and cold rolled steel processing which compared with those paid on a slitter in the Cold Mill. In 1950 an incentive payment plan was installed for slitting hot and cold rolled products, but it did not include rewinding which continued at a special time rate. Effective July 21, 1951, File No. 77-0633, constituting a revision of the prior plan, the rates for hot rolled products were increased, but otherwise the plan was unchanged. On February 26, 1952 the plan was declared inappropriate for hot rolled material, following Union objections, and the special hourly rates for the processing of this material only were reinstalled. Subsequent to January, 1956, when the weld mechanism was added and the other changes referred to were made, the slitting of hot rolled steel coils and the rewinding of both hot and cold rolled coils were compensated for at a special rate; the welding and slitting of hot and cold rolled coils was paid for at the standard hourly base rate and the slitting of cold rolled coils (as a separate operation) was paid for under plan 77-0633.

Following the filing of the grievance and consideration of the matter in the grievance steps, and in November, 1957, the Company either revised the plan or installed a new incentive plan applicable to the welding process. This plan was not introduced in evidence and the information concerning it in the record is fragmentary. The Company takes the position that this case only concerns a plan that was in effect on the day the grievance was filed (February 21, 1956), which was applicable to the slitting of cold rolled product, and, furthermore, that as of the date of the hearing, the period during which the Union is privileged to grieve on the incentive rates installed for welding etc., had not yet expired. The Company objected to the introduction and consideration of all testimony relating to the November, 1957 revision or new plan.

The Union insists that such evidence is relevant and important because the new or revised plan of November, 1957 (although not exhibited at the hearing) demonstrates that the Company has conceded the correctness of the Union's position. That position, among other things, includes the contention that the new or revised plan incorporates rates which were the subject of settlement and compromise discussions with the Company respecting the instant grievance, and installing them as of November, 1957 denies the grievants their enjoyment for the pay periods with regard to which the grievance was filed.

The Company's objections to the receipt of the testimony were overruled at the hearing.

Any consideration of the questions in this case must start with the proposition that as of January, 1956 the plan under discussion was accepted and was in force and would continue to remain in effect except as it might be changed by mutual agreement or by virtue of the provisions cited in Marginal Paragraph 26 of the 1954 Agreement.

The first inquiry is whether the equipment added to the machine in January, 1956 had the effect of rendering the existing plan inappropriate <u>for the slitting of cold rolled coils.</u> A considerable amount of testimony was presented by both parties on this issue. In general, the testimony presented by the Union was to the effect that the lengthening of the equipment, the addition of parts and mechanisms, its adaptation to welding, and the shortening of the entry ramp all contributed to the slowing up of the slitting of cold rolled steel coils. Thus, it was represented that whereas the strip was easily threaded before January, 1956, the changes made it necessary to "visually guide" the strip, to poke it with bars and rods through "blind spots" and over obstructions and to support the tail (having a tendency to hang down and hit "one thing or another") with rods. It was also asserted that fewer coils could be placed on the entry ramp since it was shortened.

This testimony was met with data collected by the Company's industrial engineers in the course of two time studies: one in August - September, 1949 (at which the slitting of 65 cold rolled coils was observed) and the other on March 21 and 27, 1956 (at which the slitting of 46 cold rolled coils was observed). The data was said to have been collected with a watch running continuously during the operation.

In contradiction to the testimony of the Union witness, (an Operator on the Slitter) that the threading time prior to the changes mentioned, on the average, was one half a minute, and that after the equipment changes the average time was ten minutes, the Company time study data shows the following:

	1949		1956	
	Observed Minutes per Coil	Base Allowed Minutes per Coil	Observed Minutes per Coil	Base Allowed Minutes per Coil
Thread to Tension reel and position thread in tension reel	2.27	1.36	1.95	1.46

No reconciliation between the Union and Company testimony is possible. The Company data is not accepted here as complete proof of the facts it purports to demonstrate. The first study was somewhat remote in time and the second study seems to have been made with respect to crews not presently on the equipment. Further, the record contains no data upon which a finding can be made that the allowances were appropriate. It is only necessary to state, however, that regardless of whether the Company has proved its allegations as undeniable facts, the testimony it presented has sufficient weight to outbalance that presented by the Union. On the record as made I cannct find, as a fact, that the changes referred to so slowed up the slitting of cold rolled steel as to make the plan inappropriate. The testimony of the Company witnesses that larger coils than heretofore are used and that the present entry ramp accommodates 60,000 pounds of coiled steel which would take hours to process supports this conclusion.

It is manifest that the incentive earnings decreased sharply for the slitting of cold rolled steel, exclusively, since the introduction of the new equipment. The Company says that this is because the grievants are not putting out incentive effort and it points to the circumstance that the grievance was filed on the very first day that cold rolled steel was slit, following the equipment changes, and before the employees even had any meaningful experience.

The record contains no basis for any finding as to whether the employees are or are not working at incentive pace, and, according, no such finding will be made. Likewise, there are no facts in the record that would provide an explanation of why the average hourly incentive earnings for cold rolled steel slitting alone show a difference of $.727 between the period October 14, 1955 - January 14, 1956 amd the period January 21, 1956 - April 30, 1957. But whether the Company's claim of withheld effort is or is not valid, it is clear that, standing alone, a reduction in incentive earnings does not render an accepted incentive plan inappropriate. The Union is required to prove facts which bring it under the criteria set forth in Marginal Paragraph 42 of the 1954 Agreement. This it has not done.

But the Union also argues that welding and slitting became an integral part of the job duties of the grievants in January, 1956; that the Company is fragmentizing the elements of the job; that its grievance, invoking Article V Section 5, means that the Company has wrongfully failed to adapt the previously existing plan to the newly introduced welding-slitting process; and that by waiting until November, 1957 to present a new plan for that operation it has deprived the grievants of the enjoyment of an incentive plan covering that operation as well as the slitting of cold rolled coils until November, 1957 and has denied them the average hourly earnings guaranteed. This argument is not directed to the question whether the plan installed in November, 1957 meets the criteria of Article V Section 5, but, rather, whether the Company deprived the grievants of rights reserved by the Agreement when it delayed installing an incentive plan applicable to welding and slitting until November, 1957. In other words, the Union claims that the existing plan became inappropriate in January, 1956 when it was not amended to include the welding and slitting operations.

The grievance is expressed in very broad and general terms. On several occasions at the hearing the representative of the Union asserted that its claim was based on Marginal Paragraph 42 of the 1954 Agreement. The Union does not have standing here to claim the average hourly earnings provided for by Marginal Paragraph 41. Marginal Paragraph 42 relates solely to situations in which a previously existing incentive plan is claimed to have become inappropriate. The average hourly earnings provision in Marginal Paragraph 41 has reference to the procedure outlined in the paragraphs preceding it (Marginal Paragraphs 37 - 40, inclusive) applicable to situations in which, in pursuance of its "right to install new incentives" (Marginal Paragraph 36) the Company has developed a proposed new incentive, submitted it to the Union, and proceeded to install it, without Union acceptance.

Article V Section 5, in various parts of its provisions refers to application of incentive plans to "efforts" of employees, and to "jobs" and "job requirements". The intention of the parties relative to the Union's claim is not spelled out explicitly and must be gathered from the provision as a whole. The employment of the terms "Whenever practicable" and the Company "shall have the right" to install incentives, in Marginal Paragraphs 35 and 36, are suggestive of a large area of managerial discretion and may be significant. In the present state of the record, however, it is impossible to determine whether it was or was not practicable for the Company, after an appropriate period of time following the equipment changes to include the weld and slit operation in the previously existing plan which was applicable to slitting only. The determination of whether it was practicable to do so and whether the Company was unreasonable or arbitrary in having failed to do so is a conclusion that can only be made on the basis of facts of a more technical nature than those now before the Arbitrator.

Under the circumstances a final award in this case is being held up until the Arbitrator has an opportunity to consult with an industrial engineer, in accordance with Marginal Paragraphs 197 and 199 of the 1956 Agreement. Such industrial engineer will be requested to report to the Permanent Arbitrator, after such study, investigation or observation as he deems necessary, additional facts and findings that would assist in a determination by the Arbitrator whether, in separating the parts of the job for incentive plan purposes as discussed above, the Company had failed to comply with the provisions of Article V Section 5.

Peter Seitz,
Assistant Permanent Arbitrator

Approved:

David L. Cole,
Permanent Arbitrator

Dated: February 5, 1958