INLAND STEEL COMPANY)
)
and)
)
UNITED STEELWORKERS OF AMERICA)
Local Union 1010)

Grievance No. 22-F-29
Docket No. IH-312-303-5/5/58
Arbitration No. 335

Opinion and Award

Appearances:

For the Company:

William Price, Attorney
A. Cummins, Supervisor, Industrial Engineering
R. Stanton, Assistant Superintendent, Labor Relations
L. Davidson, Assistant Superintendent, Labor Relations
L. Lee, Industrial Engineer
R. Phelps, Superintendent, #3 Open Hearth

For the Union:

Cecil Clifton, International Representative
F. Gardner, Chairman, Grievance Committee
J. Wolanin, Secretary, Grievance Committee
J. Gyurko, Grievance Committeeman
K. Baggett, Assistant Grievance Committeeman

The Union here challenges the incentive plan (File No. 85-0218) installed on August 4, 1957 with respect to Conductor and Switchman on the switching crews in the No. 3 Open Hearth Department. This plan was substituted for another plan found to have been inappropriate in view of the changes in and the expansion of that Department. The Engineer, the third man on each Switching Crew, was covered by another incentive plan not the subject of the grievance in arbitration.

Before the extensive changes and expansion, and under the original plan, two crews were utilized on each turn. In January, 1957 the Company conducted a six turn time study and calculated, on the basis of a four furnace level of operations (94% of availability), that the average work load was 34.5%. In developing the new plan the Company took into consideration the fact that an additional engine and crew would be added at the five furnace level of operations. Its projections of data to the changed conditions resulted in an average work load of 40.9% for the expected seven furnace level of operations at full production, or an increase in workload of 6.4%. The incentive margin earned, of 4.7%, was increased to an expected earned incentive margin of 14.3%, or an increase of 9.6%. With this data the Company, utilizing the standard procedures employed in associated cases involving occupations in the No. 3 Open Hearth Department, developed a new plan expressed in units of the standard hourly base rate. An actual rate of .579 standard hours per 100 tons of ingots and rollable butts resulted.

The earnings comparison from the pay period ending August 10, 1957 through the pay period ending November 1, 1957 during which at no time was a seven furnace level of operations achieved shows that the average incentive earnings paid during the 90 day reference period have been consistently exceeded. By way of illustration, the average hourly earnings of Raw Material Conductor earned a high of $2.796 in the pay period

ending January 25, 1958 with four furnaces and but two crews operating and a low of $2.704 in the one week's pay period ending August 10, 1958 with five furnaces and three crews operating. The weighted average for the entire period, to be compared with the average hourly earnings of $2.604, was $2.757. Turning to the Pit Switchman who averaged $2.403 during the 90 day reference period, we find that in the pay period ending January 25 and May 3, 1958 he earned a high of $2.593 with four furnaces and but two crews operating and in the pay period ending September 6, he earned a low of $2.515 with four furnaces operating and 2,515 crew man hours or 512 hours in excess of the hours consumed for two crew operations. Here the weighted average for the period of four, five or six furnace operation was $2.557 as against the average hourly earnings figure of $2.403. The tonnage increase which resulted from the changed conditions was, of course, considerable; but the record, nevertheless, supports the finding that the incentive earnings yielded by the plan are equitable in relation to the previous incentive earnings and the previous job requirements.

The Union objects to the fact that in the development of the plan the Company had not taken into account conditions which arose coincidentally with the subsequent placing into operation of the new No. 4 Slabbing Mill. It appears that prior to the middle of November when the Company, for the first time, instituted a seven furnace level of operation, ingots had been transported by these crews to the old stripper and an engine from the No. 2 Open Hearth Department picked them up for movement to the No. 3 Blooming Mill. Under the newly instituted procedure the ingots must be transported from the Stripper to the new No. 4 Slabbing Mill. This, it is asserted by Union witnesses, is a distance of some two and one quarter miles and consumes about two hours. Company witnesses gave conflicting estimates of distance and time consumed.

The Superintendent of the No. 3 Open Hearth Department testified that the Company was engaged, at the very time of the hearing, in an effort to cope with and correct temporary conditions attending the utilization of the new No. 4 Slabbing Mill. These conditions involve deficiencies in the new crane and the temporary use of trackage necessary for other movements. It was stated to have been contemplated that, in the future, the old No. 31 stripper and the new No. 32 stripper will be housed in a common location and that this will be done when current difficulties are overcome. He also stated that a study was in progress to ascertain what "engine power" will ultimately be required for the new conditions and that one possible solution might conceivably be the addition of "an additional engine in the Blooming Mill area." He remarked that it was not known at the time of hearing whether the additional engine, if assigned, would be attached to the Open Hearth, the Blooming Mill or the Transportation Department. Inquiry by the Union representative also elicited the testimony that should a fourth crew be scheduled, the incentive earnings of the grievants under the incentive plan discussed here would not be disadvantageously affected.

It is evident that the Union's challenge is to the adequacy of the plan under conditions experienced after this dispute had first been scheduled for hearing (August, 1958) and still in flux. It is appropriate and desirable to test the equitability of an incentive plan by reference to production and earnings data for a period subsequent to the date of filing the grievance and proximate to the date of hearings (see Arbitration Nos. 151, 156 and 171); but it is not appropriate, under the Agreement, for the Arbitrator to

determine whether the plan fails to meet the criteria in Article V, Section 5 in the light of conditions which have been materially changed since the incentive plan was installed. The grievance itself, of course, complained of the incentive plan as it was and as it applied to conditions which existed at or about the time of its installation or when the grievance was filed.

It is one thing to test the earnings under the plan by checking what has happened subsequent to the grievance date. There is also a value in making all corrections in one proceeding which would clear up all disputes which have arisen. However, when methods or procedures have been changed since the grievance was filed and discussed by the parties, there is serious doubt as to the propriety of encompassing too much in a single case. The modified or new methods or procedures would then not have had the benefit of discussion in the grievance procedure. A subsidiary weakness in doing so in this case is that as of the time of the hearing some of these modifications or changes were still not stabilized, -- they were described as being in flux. With the introduction of a fourth engine crew for operations at the seven-furnace level, the Company has stated it will submit a revision of the incentive plan to the Union. This in itself can provide the occasion for a review of conditions as they exist at this later date.

For all these reasons, this grievance is being determined on the basis of the merits of this incentive plan as it applied to the operations as conducted when the plan was installed or as of the date of the grievance. If the subsequent changes or modifications have created a situation which the Union believes should be challenged or questioned, this should be done in an appropriate grievance directed to this purpose. I shall protect the Union's opportunity to do so procedurally.

As discussed above, the earnings under the protested incentive plan are equitable in relation to the previous job requirements and the previous incentive earnings.

AWARD

1. The grievance is denied;

2. Jurisdiction is being retained by the Permanent Arbitrator for the limited purpose of permitting the Union to raise a challenge because of conditions which have been modified or changed since the date of this grievance; if the Union chooses not to raise any such challenge, or if it does so by a grievance which the Company accepts without objection as to its timeliness, this case will be deemed concluded.

Dated: January 10, 1961

/s/ David L. Cole
David L. Cole
Permanent Arbitrator