

In the Matter of Arbitration Between:

INLAND STEEL COMPANY

- and the -

UNITED STEELWORKERS OF AMERICA,
Local Union No. 1010

ARBITRATION AWARD NO. 447

Grievance No. 23-F-56

Appeal No. 356

PETER M. KELLIHER
Impartial Arbitrator

APPEARANCES:

For the Company:

K. H. Hohhof, Supervisor, Industrial Engineering Department
D. L. Arnold, Attorney
W. F. Price, Attorney
L. E. Davidson, Superintendent, Industrial Engineering Department
J. A. Keckich, Superintendent, #3 Cold Strip Mill
E. G. Mullen, Industrial Engineer, Cold Strip Mills
S. J. Murzyn, Industrial Engineer, No. 3 Cold Strip Mill
J. L. Federoff, Divisional Supervisor, Labor Relations Department
R. J. Stanton, Assistant Superintendent, Labor Relations Department

For the Union:

Cecil Clifton, International Representative
James Tharp, Griever
Peter St. Mary, Witness
G. Butte, Witness
R. Timmerman, Witness
Al Garza, Secretary, Grievance Committee

STATEMENT

Pursuant to notice, a hearing was held in Gary, Indiana on September 18, 1961.

THE ISSUE

The grievance reads:

"Aggrieved contend that Incentive Plan, File No. 87-0255, covering 56" Tandem Mills, installed November 23, 1958, by the Company, does not 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.

Aggrieved request the Company adjust the rate to be equitable in relation to #1 and #2 Cold Strips and also pay aggrieved average earnings of their previous occupation."

DISCUSSION AND DECISION

During the arbitration hearing it was understood that the average earnings question had been disposed of in prior arbitration awards, particularly Award No. 151 (Cole) and that the Union was not requesting that the aggrieved be paid "average earnings of their previous occupation".

Article V, Section 5 sets forth certain criteria to be used in the determination of whether the earnings are equitable. Consideration is to be given to "equitable incentive earnings in relation to other*** incentive earnings in the***like department involved". The No. 1 and No. 2 Cold Strip Department must here be considered the "like department involved". The Union in its pre-hearing statement did contend that the "job requirements of the occupations on the 56" Tandem Mill are comparable to the job requirements of the occupations on the 54" Tandem Mill in the No. 1 and 2 Cold Strip Department". The Union there urged also that the similarity of these occupations is shown in the base rate cases which were previously presented before this Arbitrator. (Union Statement p. 3).

There is no dispute in this record that the work elements involved for which standard allowances are to be set are Rolling Time, Coil Handling Time, and Roll Change Time. The first factor in Rolling Time is "EFFECTIVE OPERATING SPEEDS". Although the record indicates that the Company in its original study relied largely on manufacturer's recommendations as to speeds at the time the revision was made that established the present rate, this was based upon actual recorded speeds observed over a period of many months. The Union witness conceded that he had never been ordered to operate at less than the effective speed. (Tr. 186). The plan does make allowances for the delays which are encountered on effective speeds in order to make expected earnings under the plan. (Co. X C--3). The Union witness was not able to testify as to whether detergent oils were used in the 40" Mill. The Company witness did testify that a similar type oil was used on the 40" Mills and that the speeds would not be adversely affected by the use of the detergent oil on the 56" Mill. (Tr. 166). The Union witness did concede that some products are run at speeds higher than that set forth in the plan. (Tr. 28). The record also does show that the product mix is only 15 per cent light gauges and that this average could be expected in any similar type Mill. (Tr. 166). The situation of welds being broken, according to Company testimony, is by experience the same on both the 54" and 56" Mills. (Tr. 181).

With reference to the second factor of "DELAYS" under the element of Rolling Time, it must be noted that the delay allowance of 15 per cent is based upon long experience of the Company in the operation of its Tandem Mills. The propriety of this figure was confirmed by both original and subsequent check studies.

Under the third factor of "SET-UP TIME" for section changes, an allowance of .021 minutes per one thousand pounds was established. This was based upon both time study data used in the development of the 54" Tandem Mill incentive plan and upon check time studies confirming this that were taken in July of 1961. (Co. X F--2).

The element of "COIL HANDLING TIME" was based upon time studies taken in December of 1959. The allowance of 1.50 minutes per coil for this element was confirmed by later check studies in July of 1961. A Union witness indicated that the crew would be able to meet that "with a minute and a half". (Tr. 190).

With reference to the third element of "ROLL CHANGE TIME", these allowances were also based upon time study data used in developing plans for the Tandem Mills in the No. 1 and 2 Cold Strip Department and were confirmed later by check time studies. The Union witness who testified with reference to the allowance for a roll change, indicated that his principal objection was to the length of time being recorded by the Scaleman and that he was not raising any question "on the allowance". (Tr. 191).

In reviewing the evidence in this record, the Arbitrator must find that the work elements discussed above are basically the same with reference to the No. 1 and No. 2, despite the fact that there are variations in equipment, effective speeds, weight of coil, widths and gauges. The Exhibits presented in evidence and the testimony, clearly show that if the 54" Mill were to be used solely as the basis of comparison as appeared to have been suggested by the Union on the grounds that it is a four-stand operation like the 56" Mill and involves somewhat similar widths and gauges, rather than the composite used by the Company of the 40", 54", and 72" Units, that the expected margins would be considerably less. For example, the Roller on the 56" would have a rate set based on 51.4 per cent incentive margin, rather than the 58.9 per cent used by the Company in its workload comparison and margin adjustment study. The actual margin for the 54" Roller during a six months period was 46.0%. (Co. X's D and E). The normal 35 per cent expected incentive margin has been found by Arbitrator Cole in Award No. 156 to be "in accord with the established practice in the steel industry". The Union, while questioning the use of this margin as being a general practice in the steel industry, does appear to agree that it has been a practice followed by this Company.

The Company does agree that there has been an increase in workload. The 56" Mill represents a workload increase of 12.9 per cent over the average crew workload considering the other three Mills as a composite. This resulting workload difference of 12.9 per cent was multiplied by the normal 35 per cent expected incentive margin to produce a resulting increase of 4.5 per cent in margin over base. This was added to the actual margins earned by the crews in the No. 1 and No. 2 Cold Strip Department Tandem Mills for the six months prior to the development of the plan.

The 56" Mill crews are, thus granted earnings opportunity which credits them for this increased workload. The Company's use of the composite figure of the three old Mills rather than simply the 54" Mill which was originally urged by the Union as comparable, is more liberal. The evidence does show that the standard speeds and the time allowance have been maintained for full turns. (Co. X H). Based upon the Rollers' total hourly earnings being an average of \$5.74 per hour in the thirty or more instances cited, this definitely shows that the expected hourly rate of \$5.57 has been met. During a period of two or three weeks prior to the hearing in 1961, the average was \$5.03 as compared to the December 1, 1960 figure of \$4.38. This would clearly indicate that an improvement has been made and that the plan does afford an opportunity to achieve expected incentive earnings.

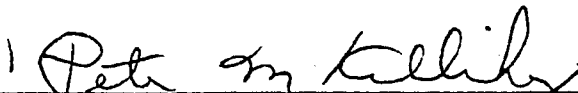
Assuming the use of the same material, the evidence would indicate that if speeds can be exceeded on material that is 50 inches wide, it can certainly be met on material that is 45 inches wide, which is easier to process. (Tr. 135). The standards have been met under operating conditions involving various widths, gauges, and tons per order indicating that the rate is balanced. (Tr. 143). No attempt was made by the observers to record all situations where the standard was met. Once the standard was met at a certain speed, no further recordings were made. (Tr. 137).

It is the holding of numerous Arbitrators that the mere fact of greater production standing alone, without a consideration of the equipment, the processes, and other relative factors is not controlling. The Company here concedes and the evidence shows that the workload is greater. The evidence, however, indicates that the expected earning opportunities are commensurately higher. It would appear from the record that the Union made reference to delays due to inexperienced Cranemen merely to counter the anticipated claim of the Company of "excessive delays". This, however, appears to be a relatively recent problem and cannot in any event be a basis for setting incentive rates. While it is conceded that there are greater delays involved in working with lighter gauge material, the 15 per cent of lighter gauge material in the mix is not greater than that on other Tandem Mills. (Tr. 80 and 181). This Arbitrator does not consider the fact that the employees

have made standard a specific number of turns as being decisive in itself. The earnings opportunity granted to these employees is shown by both original and check time studies. The record would indicate that the Company has presented the base figures that it relied upon to arrive at the occupation and crew workloads for the other three Mills. The procedures followed by the Company in this case with respect to workload determinations are the same as those set forth in prior arbitration cases.

AWARD

The grievance is denied. The Wage Incentive Plan, File No. 87-0255--1, does provide equitable incentive earnings in relation to incentive earnings of employees in similar occupations in the No. 1 and No. 2 Cold Strip Department.



Peter M. Kelliher

Dated at Chicago, Illinois
this 26th day of February 1962.