INLAND STEEL COMPANY	Grievance Nos.	Appeal No.	Award No.
and	25-WIP-J-3 25-WIP-J-4 25-WIP-J-5 25-WIP-J-8 25-WIP-J-9	1180	588
UNITED STEELWORKERS OF AMERICA Local Union 1010			

Appearances:

For the Company:

Henry M. Thullen, Attorney
Robert Ayres, Superintendent, Labor Relations
Paul Buda, Senior Industrial Engineer
J. Stanton, Assistant Superintendent, Labor Relations
R. Schuler, Assistant General Manager, Mills Division
R. Weymier, Superintendent 80" Hot Strip Mill
K. H. Hohhof, Superintendent Industrial Engineering
Morris Jacobson, Supervising Industrial Engineer
D. Hesterman, Industrial Engineer
J. Ryan, Labor Relations Representative

For the Union:

Peter Calacci, International Staff Representative
James Balanoff, Chairman, Grievance Committee
John Porter, Griever 80" Mill
John Bierman, Secretary, Grievance Committee
John K. Smith, Plant Union Committee
J. C. Pickens, 80" Electrical Shop
John Nagy, Jr., 80" Slab Yard
Al O. Perez, 80" Heating
Peter Sarkea, Finishing Mill 80"
John Tropek, Assistant Heater 80"
Ralph G. Fairman, Finishing Mill Attendent

The question to be decided is whether the seven Incentive Plans in the 80" Hot Strip Mill provide equitable incentive earnings opportunities as contemplated by the criteria set forth in Section 5 of Article 9 of the 1965 collective bargaining agreement of the parties.

Five crews are involved in the grievances listed above: the Mill Crew, the Slab Yard Crew, the Heating Crew, the Furnace Maintenance and Auxiliary Crew, and the Maintenance Crew. The percentage relationship of the Mill Crew determines the incentive earnings of all the other crews. The parties have agreed that the determination of the question with respect to the Mill Crew will also determine the other four grievances.

The 80" Mill was completed in February, 1965. Prior thereto, the Company had in operation a 44" Hot Strip Mill and a 76" Hot Strip Mill. The 80" Mill is an automated mill, with greater speed and production capacity, and with the ability to handle a larger range of production, both in width and in thickness

or gauge. The three reheating furnaces on the 80" Mill have an average capacity of 600 tons per hour, while the four on the 44" Mill have an effective heating capacity of 400 tons, and the three on the 76" Mill a capacity of 330 tons.

This new mill is to a large extent controlled by computer instead of the traditional roller. It may be operated practically completely automated, semi-automated, or manually. It has automatic roll changing, reducing roll changing time from 10 minutes to two minutes. It has the capacity to operate at substantially higher speeds, has slab extractors, the means to accelerate after threading, and can handle much larger slabs. It has three coilers, and it is agreed that two would be sufficient to handle the production of this mill, using the third as a spare.

Expected incentive earnings on the 80" Mill were based upon the prior earnings on the 44" and 76" Mills. These were accepted by both parties in their grievance discussions as "like departments" as that term is used in Article 9, Section 5.

The Union belatedly urged that the comparisons should be with the earnings on the older mills, particularly the 44" Mill, some four or five years ago rather than currently, although the Union earlier requested more recent earning figures for comparison purposes. The Company used the last full quarter immediately preceding the effective date of the incentives on the 80" Mill and also the first quarter of 1966, during which rolling time studies were taken to ascertain productive capacity. The latter three-month period happened to be the one in which there were the highest average earnings of any of the periods originally suggested by the Union.

While the contract does not stipulate the pay periods which shall be used for the determination of earnings in like departments, the practice has been to use relatively recent periods in which there are no special or unusually disruptive conditions present. I find no fault with the pay periods selected in this case by the Company. They were not abnormally high or low, and there was no showing that conditions were not typical or normal. The mere fact that there were some periods years ago in which earnings for some reason happened to be higher on one of the comparable mills, the 44" Mill, is not sufficient reason to disregard the more current situation. The same observation would apply if the Company's engineers sought to establish incentive earnings on the basis of some abnormally low earnings experienced in a like department some years ago.

As this question was presented and discussed at the hearing, the issue turned out to be more narrow than in other incentive disputes. Production and earnings on the 80" Mill have been satisfactory to both the Company and the grievants while only one or two reheating furnaces are in operation. It is only when three furnaces are in use that the difficulties and the differences have arisen. More specifically, the parties are apart on the proper amount of delay time to allow during such operations. The Company's Incentive Plan used average delay time per turn of 90 minutes including roll change time, and mechanical, electrical and other delays. The grievants insist this is inadequate, and that 120 minutes would be more realistic, claiming that on every turn there are unrecorded delays approaching 30 minutes.

The delay factor used by the Company was determined by comparison with experience on the 44" and 76" Mills and on the experience with equipment similar to this 80" Mill in other companies or places. The Company maintains that delay time should be between 15 and 18% or somewhat below 90 minutes per turn.

Delay time has consistently been greater on the 76" Mill than on the 44" Mill, and this factor has fluctuated widely on the 80" Mill thus far. Differences in product mix are clearly one reason for this. From August 28, 1966 to July 15, 1967 while on three-furnace operation the delay time, averaged during each pay period, ranged from 103 minutes to 139 minutes per turn, with an overall average of 120 minutes. While on two-furnace operation, however, which was on 77 turns, the delay time fluctuated between 68 minutes and 137 minutes, with the overall average of 110 minutes. There were during this period 38 turns on three furnace operation on which the grievants produced more than the expected 3300 tons. On these 38 turns the delay time averaged 65.6 minutes, with a range of 34 minutes to 101 minutes.

Despite the delays experienced on two-furnace operation, it is important to note that the employees produced sufficient to enjoy a margin of 33% as against the expected 30%. It should also be observed that when on one-furnace operation the expected has also been exceeded.

The Company is critical of the employees' performance on three-furnace operations. This 80" Mill production is largely controlled by heating capacity, only 27% of the production being mill-limited. Yet, says the Company, although the third furnace has an effective heating capacity of 200 tons per hour, and the Incentive Plan calls for only 173 tons, the production with three furnaces has exceeded that with two furnaces by only 48 tons. The result has been that while the margin on two-furnace operations has been 33% that on three-furnace operations has been only 19%. As the Company sees it, this means that the employees are not coordinating, are not pacing operations properly, and will unquestionably improve their performance with the passage of time. The Company believes the pace of this Mill is within the control of certain key employees, - the Rougher Attendant, the Finishing Mill Attendant, the Coiler Operator and the Pusher Operator.

The Union, on the other hand, contends that control of the pace and rate of production has been taken away from the Roller and given to either non-bargaining unit people, or to the computer. The result is that coordination has been impaired through no fault of the employees, and that there is a large amount of unrecorded delay time every turn.

The grievants concede that a production of 3000 to 3100 tons per turn could properly be expected on three-furnace operation. The fact is, nevertheless, that it has averaged only 2645 tons. The Company claims that an expected production of 3300 tons is modest, and that with more effective cooperation the employees could and will produce over 3600 tons.

One can well be puzzled by the failure to produce on three-furnace operation more than 48 tons over the two-furnace production. A partial explanation is that on over one-quarter of the products the rate of production is mill-limited rather than furnace limited. Another is that this is a new kind of operation, with its new automated and automatic features. Time for readjustment has been needed. The faster pace at which rolling production is done during three-furnace operation creates pressures which cause delays not experienced in the more leisurely rate of operation when only two furnaces are in use.

Still, 26% of the delay time was formerly normally due to roll changes, and the time required for this has been cut drastically. Larger slabs are in use.

Numerous improvements or corrections, many of which were suggested by the employees, have been made and there will be others.

A certain amount of groping and conjecturing was evident in the presentation of this dispute. As is not unusual in any form of litigation, some spokesmen tended to be more positive and extreme than the available evidence justified.

My judgment is that this Incentive Plan is somewhat too tight by the criteria of Article 9, Section 5, particularly with respect to the delay factor. While I cannot on the evidence accept the Union's position that this factor should be raised from 90 minutes to 120 minutes, I am impressed with the fact that on three-furnace operations 90 minutes is not adequate, when one considers the earning capacity and experience in the like departments of the 44" and 76" Mills. This delay factor should be increased to 100 minutes, and I believe this will be sufficient to give the grievants the reasonable opportunity to achieve or exceed the target incentive margin of 35%.

AWARD

The delay factor in the Incentive Plan applicable to the Mill Crew while on three-furnace operation should be 100 minutes per turn rather than 90 minutes, and this Incentive Plan should be adjusted accordingly. The Incentive Plans involved in the other four grievances listed above should be similarly or proportionately adjusted.

Dated: September 6, 1967

David L. Cole

David L. Cole, Permanent Arbitrator