

3-31-1971

# United States Steel Corporation Eastern Johnstown Works and United Steelworkers of America Local Union 1288

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BOARD OF ARBITRATION

Case No. USS-8050-H

March 31, 1971

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION  
EASTERN STEEL OPERATIONS  
Johnstown Works

and

Grievance No. HJ-69-68

UNITED STEELWORKERS OF AMERICA  
Local Union No. 1288

Subject: Incentive Administration

Statement of the Grievance: "We the undersigned Drill Press Operators of the Lower Shop Department, contend there has not been a change of enough magnitude for our old Incentive Plan (Contract Rate) to be cancelled by Management. This is in accordance with Section #9 of the Labor Agreement.

"Facts: Management cancelled our Contract Rate Plan and placed us on average earnings prior to installing a Labor Measurement Plan.

"Remedy Requested: We request Management restore to us our Contract Rate Plan."

Contract Provision Involved: Section 9-C-2 and -F-2 of the August 1, 1968 Agreement.

Grievance Data:Date

Grievance filed:	June 23, 1969
Step 2 Meeting:	Not available
Appealed to Step 3:	July 21, 1969
Step 3 Meeting:	August 28, 1969
Appealed to Step 4:	November 26, 1969
Step 4 Meeting:	May 14, 1970
Appealed to Arbitration:	September 11, 1970
Case Heard:	February 15, 1971
Transcript Received:	March 2, 1971

Statement of the Award:

The grievance is sustained.

BACKGROUND

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This grievance from the Lower Shop of Johnstown Works claims violation of Section 9-C-2-b of the August 1, 1968 Agreement in Management's cancelling the pre-1947 contract rate incentive established for certain machine drilling operations and installing a new labor-measurement (equipment utilization) incentive to cover that work.

1

As of the summer of 1969 there was one drilling machine in 14 Bay, six drilling machines in 17 Bay, and one in 18 Bay of the Lower Shop. Several of those in 17 Bay were old machines. In April and June of that year, three of the old radial drills in 17 Bay were taken out of service, and all three were scrapped in late August. At about the same time, the one radial drill in 14 Bay was moved to 17 Bay and installed in the space formerly occupied by one of the three scrapped drills. Two new radial drills were purchased and installed in 17 Bay in the spots where the two other scrapped machines had stood. Installation of the two new drills was completed on May 23, 1969.

2

In the past, a pre-1947 contract rate incentive covered drilling on eight different machines: the one machine in 14 Bay, the six machines in 17 Bay, and the one in 18 Bay. When machines 789, 6029, and 2935 were scrapped, they were replaced by the two new radial drills (6151 and 6166), and Management then cancelled the pre-1947 contract rate incentive and established an interim rate of \$1.32 per hour (additive) for all hours worked on the job of Drill Press Operator.

3

That produced this grievance, the Union arguing that Management's scrapping three old drill presses and replacing them with two new ones was not a change in conditions of sufficient magnitude to justify cancellation of the old contract rate incentive.

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The Company replied that two reasons justified cancellation of the old incentive. (1) The two new drills had 7' arms

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as opposed to the 6' arms on the three which they replaced. (2) There was a general realignment of the new drills with the remaining ones in 17 Bay, with the one drill formerly in 14 Bay moved to 17 Bay. This was said to give more centralized crane service and to help solve the past problem of misplaced work pieces which had existed when drilling was done in three different bays. 6

As of March 8, 1970, five of the radial drills were covered by a labor-measurement incentive. The parties agreed that earnings under the new incentive have been much the same as those of the cancelled contract rate incentive. 7

The Company claims that the old contract rates differed from one machine to another in some cases where the arm limits of the smaller machine were exceeded and additional time thus would be required for repositioning the piece. Union testimony flatly denied that and said that the rate was the same for identical work on all machines, whether they had a 6' arm or a 7' arm. 8

The Company says that replacement of the old drills with 6' arms by new ones with 7' arms was sufficient cause to cancel the contract rate system on all drills because of the overall effect that the new drills would have on the system, interchanging of product and operators on the drills, and the 6'-7' arm differences. 9

### FINDINGS

The Company's case appears to rest entirely on either or both of two propositions, neither of which supports the burden imposed upon it. Indeed, the facts present a violation of Section 9-F-2.

Management notes first that the two new drills have 7' arms, while the three replaced ones had 6' arms. That is true, but there is nothing in this record which would warrant the conclusion that that fact justified cancellation of the old rate, which in fact had covered all drills, including those with 5' and 6' arms, and even one with a 7' arm. Moreover, there is no rational connection of incentive principle between installation of the two new drills with 7' arms and cancellation of the rate as applied to the five drills which were not scrapped and which continue to operate. Finally, no detailed explanation was submitted as to the extent of the difference, if any, for incentive purposes under 9-C-2, between 6' arms and 7' arms.

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The Company's second point at the hearing was that in the past pieces had become misplaced when sent to or from drilling operations carried on in any one of three different bays. Thus, the one drill was moved from 14 Bay to 17 Bay and that allegedly helped solve that problem and also allowed more centralized crane service, with claimed fewer delays while awaiting the crane.

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The difficulty is, however, that the drills still are not centralized, since one was and still is in 18 Bay. Furthermore, there is nothing to indicate that any drilling operation is conducted in 17 Bay in any way different from the way in which it used to be done in any other bay. That is, it has not been shown on this record that physical location of the machine has any significant bearing on Management's right under 9-F-2 or 9-C-2-b to cancel the old contract rate incentive.

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Accordingly, the grievance will be sustained.

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4.

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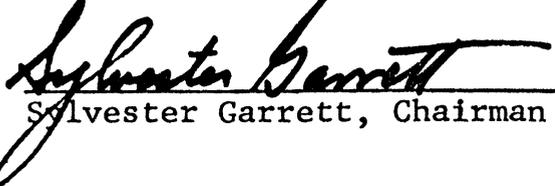
AWARD

The grievance is sustained.

Findings and Award recommended  
pursuant to Section 7-J of the  
Agreement, by

  
Clare B. McDermott  
Assistant Chairman

Approved by the Board of Arbitration

  
Sylvester Garrett, Chairman