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# United States Steel Corporation Western Steel Operations Gary Works and United Steelworkers of America Local Union 1066

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BOARD OF ARBITRATION

Case USS-8060-S

March 26, 1971

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION  
WESTERN STEEL OPERATIONS  
Gary Works

and

Grievance No. SGa-69-131

UNITED STEELWORKERS OF AMERICA  
Local Union No. 1066

Subject: Incentive Administration

Statement of Grievance: "We the employees of the Cont.  
Pickle Maint., charge management with violation of  
Sec. 9C2 of the B.L.A. We request all monies lost  
until final settlement of this grievance.

"Number 10 Line has not operated  
for a long period of time. Management failed to  
adjust rate in accordance with Sec. 9 of the B.L.A.

"Grievance be granted."

Contract Provisions Involved:  
1968 Agreement.

Section 9-C-2 of the August 1,

Grievance DataDate

Grievance filed:	March 19, 1969
Step 2 Meeting:	Not available
Appealed to Step 3:	May 13, 1969
Step 3 Meeting:	June 9, 1969
Appealed to Step 4:	July 2, 1969
Step 4 Meeting	June 3, 1970
Appealed to arbitration:	September 21, 1970
Case heard:	February 10, 1971
Transcript received:	March 1, 1971

Statement of Award:

The grievance is denied save to the extent that it protests inclusion, as incentive hours, of work required to place No. 10 Line back in operating condition after its "permanent" discontinuance. These hours should have been excluded from the incentive. For this temporary period in early 1969, the grievants should be made whole for any earnings lost as a result of the charging of such hours against their incentive.

BACKGROUND

Case USS-8060-S

This grievance by Assigned Maintenance employees in the South Continuous Pickling Department of Gary Works claims two separate violations of Section 9-C-2 of the August 1, 1968 Agreement.

1

There are four Lines in the South Continuous Pickling Department. Earnings under the incentive here are generated largely by the earned standard hours of the Line Crews under their incentive. On August 10, 1968 the No. 10 Continuous Pickling Line (40" Line) was shut down on the basis that it never would operate again. Local Union officials earlier had been advised that the impending shutdown was permanent. By March of 1969, however, Management had decided to reactivate the old No. 10 Line, and Central Maintenance employees, as well as Assigned Maintenance employees working under the present incentive, were assigned to get the old Line back into operating condition.

2

Over the intervening seven months, the unused No. 10 Line had been cannibalized for parts to use in maintaining the other three Pickle Lines and otherwise had deteriorated for lack of any maintenance.

3

The present grievance was filed on March 19, 1969, stressing that the No. 10 Line had not operated for seven months and claiming that the Company should have adjusted the disputed incentive because (1) earnings had dropped when the No. 10 Line had been shut down, and (2) it was improper to charge against the crews the hours required to rehabilitate the No. 10 Line in March of 1969.

4

The general nature of the parties' discussion of the grievance appears in the Step Three Minutes:

5

"BACKGROUND INFORMATION AND FACTS: The subject Incentive Plan 5993-669, formerly 5390-699, covering the Assigned Continuous Pickle Maintenance Crews, was installed September 28, 1952. Change #9 to this plan, effective October 30, 1960, provided standards for a two (2) Line Operation. Change #10 installed May 14, 1961, provided incentive coverage for other than a basic two or four line operation. The plan covers all levels of operations except a straight one line operation for an entire pay period.

"The earned hours for the Continuous Pickle Maintenance (South Line) are calculated by multiplying the standard time values, as determined in accordance with the number of Continuous Pickle Department operating turns and the number of Continuous Pickling Line turns per operating turn during the pay period, by the number of earned and unmeasured hours of the Continuous Pickle Line Crews and dividing this product by the total of the actual hours of Continuous Pickle Maintenance Crews and the applicable actual field hours of Central Maintenance to determine the true work performance.

"The true work performance is then associated with a table of performances to determine the pay performance for this crew.

"In the instant case, the decline in Maintenance earnings was not due to a lack of appropriate standards, but rather to a decline in operating performance on the operating units.

"BACKGROUND INFORMATION AND FACTS - (Continued)

"From the first of 1968 to the time #10 Line was shut down, August 9, 1968 (pay period ending January 13 to August 10, 1968), the Maintenance incentive earned at an average level of 116%. During the same period, the South Line Direct Crews earned at an average level of 129%. For the period the line was shut down (pay periods ending August 24, 1968 to pay period ending March 22, 1969), the Maintenance incentive earned at an average level of 114%, and the Direct Crews earned at an average level of 125%. Since the line has been restored to operation (pay period ending April 5, 1969 to May 31, 1969), the Maintenance incentive has earned at an average level of 114% and the Direct Crews earned at an average level of 115%.

"A review of the Direct Crews' incentive performance indicates it has gradually declined from an average of 146% in 1966 to an average of 119% for 1969 to date. Records compiled for the same period comparing Maintenance hours incurred to Direct Crew hours substantiates Management's position that Maintenance Crews were kept in control.

"UNION POSITION: Management was obligated to adjust Incentive Application 5993-669 to provide standards when #10 Line was shut down for an extended period of time. The failure to provide standards for this condition resulted in a loss of earnings for the Maintenance Crews.

"MANAGEMENT POSITION: Change #10 to the subject plan, installed May 14, 1961, provided standards for operating conditions other than the basic two or four line operation. The decline in incentive performance experienced by the Maintenance Crews during the period in question was due to a decline in production on the operating units.

"SUMMARY OF DISCUSSION: The Union Representative claimed that #10 Line was shut down with the intention that it would never run again; consequently, parts were taken from it and used on other lines. After a period of six months it was decided to start the line up again but because the incentive plan was not adjusted, the maintenance hours charged against the line resulted in a decline in incentive earnings.

"Management's Representative pointed out that since the incentive plan in question comprehends all combinations of line operating schedules except a straight one line operation for an entire pay period, it is not necessary that four lines be in operation in order to maintain the integrity of the rate. He also pointed out that the only field hours charged to the plan were the hours worked by the Pipe Shop and Structural Shop for making tank repairs. He stated, however, he would like to review the various claims made by the Union and said he would have his answer within the allotted time.

"A comparison of Maintenance performance to Direct Crew incentive performance (attached for reference), substantiates Management's position that Maintenance Crew hours were controlled in consideration of the various operating rates. It further points out that the decline in earnings on the operating units is directly responsible for the decline in earnings on the Maintenance rate. The attached recap also shows that if the direct crews had continued to perform at the average rate attained in 1966 (146%), the Maintenance incentive would have been maintained at an average of 123% in 1968, and 119% in 1969."

In reply to the Union claim that new standards should have been established for a basic three Line operation (without the #10 Line contributing to earnings) commencing August 10, 1968, the Company notes that the grievance is untimely under Section 9-C-5-d, Marginal Paragraph 124.4, of the August 1, 1968 Agreement:

6

"In the event Management does not adjust an incentive, as provided in Section 9-C-2-a above, the employee or employees affected may, if filed promptly, process a grievance under the grievance and arbitration procedures of this Agreement requesting that an adjustment to the incentive be installed in accordance with the provisions of this Sub-section. If the grievance is submitted to arbitration, the decision of the Board shall be effective as of the date when the grievance was filed."



Without waiving this procedural objection, the Company also emphasizes that the shutdown of the No. 10 Line actually did not require any adjustment in the incentive: the application specifically provides standards for operations at less than the 4-Line level and sets forth a complete definition of the scope of the standards making this clear. .

Section IV, 2-B, of the incentive brochure states: "Since there is no unmeasured work for the assigned maintenance crew ... " In addition, Section III-A includes:

"Maintenance work consists of: Inspect, adjust and repair, dismantle, replace, install, weld and burn, assemble and maintain mechanical and electrical equipment; fabrication of minor parts as required in the Continuous Pickling Department and Raw Coil Storage area."

Finally, the Company stresses that Assigned Maintenance earnings under the disputed incentive dropped largely because of decreased earnings of the Line Crews under their incentive.

Hours and earnings data over relevant periods are set forth by the Company as follows:

## Year 1968

<u>Pay Period</u>	<u>Actual Hours</u>				<u>True Work Perf</u>	<u>Pay Perf</u>
	<u>Maint. Actual</u>	<u>Unm Hrs</u>	<u>Field Hours</u>	<u>Total Hours</u>		
1-13-68	3346.5	0	16.0	3362.5	83	120
1-27-68	3502.3	0	78.0	3580.3	84	121
2-10-68	3517.5	0	215.2	3732.7	81	118
2-24-68	3625.5	0	77.0	3702.5	83	120
3- 9-68	3612.7	0	83.0	3695.7	82	119
3-23-68	4036.1	0	489.0	4534.1	65	102
4- 6-68	3589.3	0	74.0	3663.3	80	117
4-20-68	3555.0	0	16.0	3571.0	81	118
5- 4-68	3672.9	0	8.0	3680.9	78	115
5-18-68	3688.5	0	136.0	3824.5	77	114
6- 1-68	3789.5	0	164.0	3953.5	73	110
6-15-68	3491.6	0	196.6	3688.2	78	115
6-29-68	3249.2	0	95.0	3344.2	80	117
7-13-68	3106.0	0	305.0	3411.0	73	110
7-27-68	2467.3	0	323.0	2790.3	76	113
8-10-68	1831.3	0	0	1831.3	102	126
8-24-68	1670.0	0	24.0	1694.0	82	119
9- 7-68	1435.8	0	88.0	1523.8	100	126
9-21-68	1611.5	0	104.0	1715.5	90	123
10- 5-68	1670.4	0	68.0	1738.4	102	126
10-19-68	1651.0	0	0	1651.0	95	125
11- 2-68	1578.5	0	0	1578.5	104	127
11-16-68	2135.6	0	0	2135.6	89	123
11-30-68	2273.1	0	8.0	2281.1	76	113
12-14-68	2178.0	0	319.5	2497.5	67	104
12-28-68	2289.3	0	257.6	2546.9	68	105

## Year 1969

<u>Pay Period</u>	<u>Actual Hours</u>				<u>True Work Perf</u>	<u>Pay Perf</u>
	<u>Maint. Actual</u>	<u>Unm Hrs</u>	<u>Field Hours</u>	<u>Total Hours</u>		
1-11-69	2462.4	0	24.0	2486.4	70	107
1-25-69	2568.2	0	0	2568.2	75	112
2- 8-69	2577.3	0	0	2577.3	68	105
2-22-69	2638.0	0	56.0	2694.0	64	101
3- 8-69	2743.7	0	0	2743.7	57	100/94
3-22-69	3113.9	0	54.0	3167.9	62	100/99
4- 5-69	3081.8	0	0	3081.8	81	118
4-19-69	2784.0	0	10.0	2794.0	78	115
5- 3-69	2805.9	0	39.0	2844.9	82	119
5-17-69	2831.5	0	80.0	2911.5	79	116
5-31-69	2767.4	0	48.0	2815.4	61	100/98
6-14-69	2874.2	0	1208.6	4082.8	44	100/81
6-28-69	3353.6	0	0	3353.6	45	100/82
7-12-69	3140.6	0	56.0	3196.6	57	100/94
7-26-69	3215.7	0	56.0	3271.7	53	100/90
8- 9-69	3010.0	0	0	3010.0	58	100/92
8-23-69	3054.3	0	69.5	3123.8	54	100/91
9- 6-69	2869.6	0	34.9	2904.5	60	100/97
9-20-69	2628.2	0	84.0	2712.2	64	101
10- 4-69	2971.8	0	0	2971.8	81	118
10-18-69	3092.4	0	44.0	3136.4	77	114
11- 1-69	3015.3	0	115.5	3130.8	75	112
11-15-69	3293.4	0	146.3	3439.7	46	100/83
11-29-69	2842.6	0	80.0	2922.6	52	100/89
12-13-69	2169.7	0	0	2169.7	71	108
12-27-69	1701.6	0	0	1701.6	79	116

## Year 1970

<u>Pay Period</u>	<u>Actual Hours</u>				<u>True Work Perf</u>	<u>Pay Perf</u>
	<u>Maint. Actual</u>	<u>Unm Hrs</u>	<u>Field Hours</u>	<u>Total Hours</u>		
1-10-70	1884.8	0	128.5	2013.3	73	110
1-24-70	2378.4	0	116.0	2494.4	72	109
2- 7-70	2336.6	0	0	2336.6	75	112
2-21-70	2370.3	0	56.0	2426.3	74	111
3- 7-70	2002.4	0	0	2002.4	77	114
3-21-70	1312.2	0	163.6	1475.8	77	114
4- 4-70	1941.6	0	1016.7	2958.3	59	100/96
4-18-70	2393.2	0	173.0	2566.2	72	109
5- 2-70	1919.7	0	78.0	1997.7	80	117
5-16-70	1769.9	0	127.0	1896.9	81	118
5-30-70	1912.0	0	60.0	1972.0	76	113
6-13-70	2367.9	0	80.0	2447.9	72	110
6-27-70	2136.6	0	120.0	2256.6	73	110
7-11-70	1930.5	0	72.0	1937.7	81	118
7-25-70	2004.5	0	80.0	2084.5	64	102
8- 8-70	2152.0	0	80.0	2232.0	70	107
8-22-70	2171.8	0	188.0	2359.8	68	105
9- 5-70	2191.3	0	16.0	2207.3	74	111
9-19-70	2425.6	0	216.0	2641.6	72	109
10- 3-70	2203.3	0	1228.0	3431.3	51	100/88
10-17-70	1925.5	0	120.0	2045.5	78	115
10-31-70	1576.5	0	0	1576.5	93	124
11-14-70	1382.5	0	0	1382.5	70	107
11-28-70	616.0	0	0	616.0	77	114
12-12-70	1175.2	0	32.0	1207.2	79	116
12-26-70	845.9	0	0	845.9	104	127

The relationship between the Assigned Maintenance earnings and those of the Line Crews in 1968 and early 1969 appears as follows:

	<u>So. Cont. Pkl. Pay</u>	<u>Perf.</u>
<u>Lines</u>		<u>Mtce.</u>
1-13-68	124%	120%
1-27-68	130%	121%
2-10-68	131%	118%
2-24-68	134%	120%
3- 9-68	132%	119%
3-23-68	129%	102%
4- 6-68	126%	117%
4-20-68	129%	118%
5- 4-68	129%	115%
5-18-68	129%	114%
6- 1-68	130%	110%
6-15-68	127%	115%
6-29-68	130%	117%
7-13-68	127%	110%
7-27-68	123%	113%
8-10-68	128%	126%
8-24-68	130%	119%
9- 7-68	136%	126%
9-21-68	131%	123%
10- 5-68	124%	126%
10-19-68	127%	125%
11- 2-68	126%	127%
11-16-68	123%	123%
11-30-68	122%	113%
12-14-68	126%	104%
12-28-68	125%	105%
Average	128%	117%

	<u>So. Cont. Pkl. Pay</u>	<u>Perf.</u>
	<u>Lines</u>	<u>Mtce.</u>
1-11-69	124%	107%
1-25-69	129%	112%
2- 8-69	122%	105%
2-22-69	123%	101%
3- 8-69	116%	94%
3-22-69	118%	99%
Average	122%	104%

### FINDINGS

On August 10, 1968 the disputed incentive already included standards based on operation of three Continuous Pickle Lines, so that it is not surprising that no grievance was filed at that time to claim that shutting down of the No. 10 Line constituted a changed condition within the scope of Section 9-C-2. It also is clear that earnings under the Assigned Maintenance incentive, here in issue, depend largely upon the performances of the Line Crews under their incentive. In Case USS-8083, now before the Board for decision, there is a significant issue particularly as to whether the Line Crew standards should not be adjusted to reflect changed conditions said to have arisen in the second half of 1968. In these circumstances, and particularly in view of the timeliness limitations of Section 9-C-5-d, it is unnecessary for the Board to consider further this broad aspect of the present grievance.

The situation is different as to the narrower issue of hours charged against grievants' incentive solely because of the decision to rehabilitate the No. 10 Line. The present incentive applies to maintenance work only, and in several earlier cases the Board has held that it is not proper to charge "new construction" hours against maintenance crews working under similar incentives.

In Case USS-4975-S the Opinion recites:

"A different problem exists, however, as to the installation of a safety railing east of the runout tables. While the Company argues that this required only 40 hours of work in the pay period ending June 6, 1964, the same project consumed 327 hours in the ensuing pay period, and it is unclear how many more hours were required in still later pay periods. The Company's assertion that all such hours may be included in hours charged against the incentive rests largely on the fact that Section 4-C-4 of the incentive brochure includes the following:

'Appropriations and Works Authorizations

- 'a. Total actual Hot Strip Department maintenance man-hours charged to appropriations or works authorizations are not covered by the work time values shown in SECTION 3.'

"Since there was no appropriation or works authorization for installation of the safety railing, the Company urges that it does not fall within this language and thus cannot be excluded from the hours covered under the disputed incentive. This argument overlooks the fact that the coverage of this incentive is spelled out under Section 3-B-1 of the brochure, and this language does not cover any entirely new installation, such as the safety railing was. The language of Section 4-C-4 does not say that only work performed under appropriations or works authorizations will be excluded from the coverage as spelled out in Section 3-B-1.

"In this respect, moreover, the present grievance cannot realistically be limited to the pay period ending June 6, 1964. There was full discussion of the safety rail issue in the grievance meetings, and the Board can find no reason to narrow the grievance in this respect to the single pay period. Although the Company indicates that the 40 hours in question in this period would not have affected earnings even if they were 'backed out' of the calculation, no information was presented as to the effect of 'backing out' the 327 hours in the next pay period. This now should be done for all pay periods affected by this new installation."



The same principles were applied to a slightly different fact situation in Case USS-7314-S, as follows:

"The above observations in Case USS-4975-S provide the appropriate framework for decision of the present case. Essentially, then, the problem here is whether installation of the new scalper, hopper, and chute properly may be viewed as only a minor modification of existing equipment, and thus to represent normal maintenance and repair, rather than a new installation. Such a question, of course, must be dealt with against the background of the principles in Section 9-C-2-a. These principles cannot be changed by terms included in an incentive brochure, although always subject to reasonable implementation.

"Observation of the new equipment leaves no doubt that it constitutes a significant new installation. It was located within the existing surge bin primarily because this was the most convenient point at which to spot it, and not because any modification of the surge bin itself was necessary or desired. Placing the scalper and hopper inside the surge bin, indeed, affected the function of the surge bin only in that it reduced the bin's capacity to

hold coke at that point in the flow from stock to the Blast Furnaces. Thus the new equipment in no way effectuates the limited purpose of the surge bin, and the Board cannot accept the Company's effort to characterize it as a mere 'component' of the surge bin. The number of man hours which the job required, moreover, was quite substantial--greater than might be required for some 'Appropriation' jobs.

"It also is apparent that the new equipment in no sense represents a supplementation or modification of the old vibrating screens, in the same building, which have not been used since 1959. The old screens are fed by a different conveyor system and so cannot process coke brought from the stockpiles at Fairless, without excessive handling.

"Under the present facts, therefore, the Board must conclude that the disputed hours do not fall properly within the scope of the incentive in question."

In the present case the fact is that the old No. 10 Line had been (1) abandoned on August 10, 1968, (2) "cannibalized" for parts thereafter, and (3) permitted to deteriorate without maintenance. The man hours required to get the abandoned equipment back into operation hardly can be regarded as "maintenance" work within the contemplation of the grievants' incentive. Indeed, it is inconceivable that either Company or Union representatives--not to speak of the employees--could have visualized the possibility that such a situation might arise when this incentive was developed and installed initially.

Thus all Central Maintenance hours, as well as Assigned Maintenance hours, which properly may be deemed to have been required to put the abandoned and cannibalized No. 10 Line back into usable condition (as distinguished from routine maintenance) should not have been treated as maintenance work within the scope of the standards as they existed when renovation of the Line was commenced. More properly, Management should have made some sort of temporary adjustment effective to assure that the performance of this highly unusual (and unanticipated) work would not depress grievants' earnings significantly. The application of the incentive to work of this unique type, in any event, was an error within the meaning of Section 9-H of the Basic Agreement, which should be corrected. 17

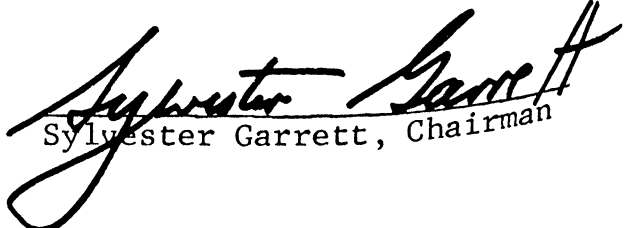
In the absence of necessary detail as to the precise restorative work performed, or the exact hours involved, the Board cannot specify the details of remedial action for the period up to actual resumption of operations on No. 10 Line. The parties at the plant, of course, have access to these necessary data and they should have no serious difficulty reaching a sound decision concerning implementation of this Award to the limited extent that the grievance is sustained. 18

#### AWARD

 19

The grievance is denied save to the extent that it protests inclusion, as incentive hours, of work required to restore No. 10 Line to operating condition after its abandonment and cannibalization. These hours should have been excluded from the incentive. For this temporary period in early 1969, the grievants should be made whole for any earnings lost as a result of the charging of such hours against their incentive.

BOARD OF ARBITRATION

  
Sylvester Garrett, Chairman