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United States Steel Corporation Sheet and Tin Operations Gary Sheet and Tin Works and United Steelworkers of America Local Union 1066

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BOARD OF ARBITRATION

Case USS-5330-S

March 31, 1966

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION
SHEET AND TIN OPERATIONS
Gary Sheet and Tin Works

and

Grievance Nos. SGa-64-144;
-145

UNITED STEELWORKERS OF AMERICA
Local Union No. 1066

Subject: Incentive Administration

Statement of the Grievances: Grievance No. SGa-64-144:

"We, the undersigned and in behalf of all similarly affected employees of #2 Electrolytic Tinning Line, charge Management with violation of Section 9 of the Basic Labor Agreement."

This grievance was filed in the Second Step of the Grievance Procedure June 1, 1964.

Grievance No. SGa-64-145:

"We, the under-signed, direct crew employees of No. 2 Tinning Line claim the Company has failed to meet its obligations under Section 9-C of the Basic Labor Agreement."

2.

USS-5330-S

This grievance was filed in the
Second Step of the grievance procedure April 27, 1964.

Contract Provision Involved: Section 9-C of the April 6, 1962
Agreement, as amended June 29, 1963.

Statement of the Award: The grievances are denied.

BACKGROUND

Case USS-5330-S

Employees manning No. 2 Electrolytic Tinning Line, Tin Finishing Department, Gary Sheet and Tin Works, grieve Changes No. 27 and 29 to Incentive Application 4965-651 as violating Section 9-C-2 of the April 6, 1962 Agreement, as amended June 29, 1963.

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The incentive was installed on December 2, 1951 and covers a five-man crew on No. 2 Electrolytic Tinning Line which processes tin coated sheet product. The amount of work performed by the crew is reflected by standards covering units of 1000 lineal feet sheared and other miscellaneous work items.

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Business declined in the Fall of 1963, and the line was shut down on August 25, 1963. Soon thereafter Management transferred 12,000 amperes of its generator capacity to No. 1 Line; this triggered the engineering of Change No. 27 to the incentive which revised lineal foot standards for processing of certain coating weights to compensate for the loss of generator capacity. It was installed effective December 15, 1963, when the line was still shut down. Also, during that time the Company changed a rinsing tank to an additional pickling tank which, here, required the removal of a brushing machine, and made some other structural modifications.

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The line was started up again on April 4, 1964. When earnings generated by the first two pay periods amounted to 117% and 127% respectively, employees filed Grievance SGa-64-145 on April 26, 1964, charging that they "cannot maintain past hourly average earnings due to violation of 9-C of the Basic Labor Agreement."

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After the start-up, the Company also experimented with the coating of Ferrostan T. H. and 2CR Bright Finish Differential product. To cover these new materials, the Company issued Change No. 29, effective May 3, 1964. Earnings for the pay periods ending May 9, 1964 and May 23, 1964 remained at 126% and 127% respectively, and the employees filed Grievance SGa-64-144 charging that "new incentive Change No. 29, Application No. 4965-651, needs adjustment to preserve its integrity."

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Both grievances were held pending in Second Step until August 27, 1964, at which time Management denied both grievances: No. SGa-64-145 for the reason that Changes No. 27 and 28 (the latter change not being involved in these proceedings) comply with the provisions of Section 9-C-2 of the Basic Agreement, and No. SGa-64-144 on the ground that Change No. 29 was developed and installed in accordance with the provisions of Section 9-C-2 of the Basic Agreement.

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In Third Step, the parties covered the changes in the incentive with the following discussion:

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"Mr. DeVault stated that the subject grievances involve the integrity of incentive application 4965-651, covering the operation of #2 Electrolytic Tinning Line. He stated that this unit ceased operations on 8-25-63, and did not resume operations until 4-4-64. During the down period, he stated, Management transferred some of the generator capacity from #2 Line to #1 Line. Mr. DeVault

"claimed that since the start-up of #2 Line on 4-4-64, the crews have not been able to maintain their former level of earnings as the current is not now available to run the line at the former standard practice speeds, and change #27, which was supposed to recognize this situation, has not maintained the integrity of the incentive application. Furthermore, he said, effective May 3, 1964, change #29 was made to this incentive application to provide incentive coverage for Ferrostan TH and 2 CR Bright Finish product and this change also fails to maintain the integrity of the incentive application as this material cannot be run at the expected speeds and properly clean the product. Mr. DeVault stated that this same cleaning problem would apply to all lines when processing TH and 2 CR product.

"Management's representative stated that during a down period Management did transfer some generator capacity to #1 Line which meant a loss of 12,000 amperes to #2 Line. However, he said, #2 Line standards were adjusted to reflect this loss of current and the standards were increased through change #27, for .75#, 1.00#, 1.00/.25#, and 1.35/.25# coating

"weights. He stated that following the line start-up, the performance on #2 Line was down but the drop in performance is attributed to the inexperienced crews assigned to #2 Line as the result of a move out in crews because of a high operating level and also because of a heavy vacation schedule. He then pointed out that during second step consideration of case SGa-64-145, the Grievance Committeeman was shown an analysis of two July pay periods setting out the incentive performance of turns containing application of standards included in change #27 as compared to turn performances where the standard application did not involve any change. He said that a recap of these performances indicated the following:

URNS AFFECTED BY CHANGE # 27

<u>PAY ENDING</u>	<u># TURNS</u>	<u>AVG. PERF.</u>	<u>HIGH</u>	<u>LOW</u>
7-18-64	12	129.8%	159%	100%
8- 1-64	<u>11</u>	<u>131.5%</u>	183%	104%
Both Pay Periods	33	130.7%		

URNS NOT AFFECTED BY CHANGE #27

7-18-64	22	138.6%	163%	100%
8- 1-64	<u>19</u>	<u>115.4%</u>	153%	56%
Both Pay Periods	41	127.0%		

"Mr. DeVault stated that green crews have no bearing on this case. He said that the grievants cannot maintain their past level of incentive performance because in processing TH and 2 CR product it is necessary to take current from the plating section to add to the cleaner and pickle sections in order to properly clean the material and this, together with overcoating, prevents the line from being operated at the standard practice speeds. Mr. DeVault claimed that because of poor cleaning, overcoating is necessary and this results in the standards for .25# coating being credited for material receiving a .50# coating.

"Management's representative said that the Union claims regarding the shifting of current from the plating ~~section~~ to the cleaner and pickle sections and the matter of overcoating were new claims which would be investigated, and Management's findings would be included in the third step minutes. He then pointed out that beginning with the start-up of #2 Line, a 95 line turn, 19 crew schedule was in effect, and in making a move out in operations of this kind the 19 crew vacation period has the most critical effect on #2 Line because it is the lowest paying Electrolytic Tinning Line, and under the 'home base' arrangement of line assignments, the youngest service, inexperienced employees are normally assigned to this unit. Management's representative

"said that in considering the manning factor it is interesting to note that incentive performance on #2 Line increased in August, 1964, when a 17 crew schedule was again put into effect.

"Following the third step meeting the Union claim that double cold reduced product (2CR and TH) required additional current for the cleaning process which reduced the available current for plating and lowered line speed, and the claim that .25# 2CR product had to be overcoated resulting in the employees being credited with .25# coating standards for applying a .50# coating, were investigated and the following determinations made:

"(1) Ferrostan TH product was not coated on #2 Line until the pay ending 8-29-64, whereas the subject grievances were filed in April and May, 1964. During the pay ending 8-29-64, Ferrostan TH product amounted to only 2.9% of the total line production and measured incentive performance for the pay period averaged 142%. For the pay ending 9-12-64, Ferrostan TH amounted to 1.7% of the total line production and measured incentive performance for the pay period averaged 134%. For pay ending 9-26-64, Ferrostan TH amounted to 1.3% of the total line production and the measured incentive performance for the pay period averaged 146%.

"(2) #2 Electrolytic Tinning Line is basically a heavy coating weight line and it has ample generator capacity to perform the cleaning required on 2CR product. There is also ample capacity to take care of both cleaning and overcoating of .25# product without affecting standard speeds. Furthermore, the amount of .25# 2CR product processed on this line has been insignificant as evidenced by the fact that for the pay periods ending 6-20-64 through 9-12-64, none of this material was run, and out of 6,135,309 total lenial feet processed on this unit during pay ending 9-26-64, only 55,700 lenial feet was .25# 2CR product."

At the time of the Third Step Meeting, it had become evident that earnings had reached their former level by August of 1964.

A Step Four Meeting was held on November 13, 1964 at which the parties reviewed the information developed in Third Step. The Company also supplied statistics indicating lower earnings at times of increased operations and additional crews.

On June 25, 1965, the Board issued its Award in Case USS-4997-S involving No. 4 Electrolytic Tinning Line in the same department. There, new welding equipment had been installed to improve operation of the line, which initially required an extensive shake-down period, but, once it began to function properly, required no change

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in pre-existing incentive standards. The Board's Findings include the following sentence related to the particular facts of that case:

"Thus, where a significant reduction of earnings opportunity continues over a substantial period of time, solely because of installation of new equipment, the affected employees may invoke the earnings protection of Section 9-C-4."

In its brief, and at the hearing, the Union now claims that "the question involved in this case is substantially the same as that which was involved in USS-4997-S." It no longer questions the engineering of the two incentive changes but claims that the equipment changes frustrated the efforts of the crews to perform at an adequate incentive pace from the payroll period ending April 11, 1964, until that ending August 1, 1964 when repairs had remedied the mechanical shortcomings. 11

With respect to the mechanical changes, the Company introduced evidence that similar changes had been made on other lines without adverse effect on earnings. The Company also stated that introduction of the two new products had caused operating problems on the other lines although, as demonstrated in Step Three, earnings were not demonstrably depressed in payroll periods when the new steels were processed on No. 2 Line. The Company maintained its position that the low earnings experienced by the crews on No. 2 Line coincided with high-level, 19-crew operations in the department. It referred to several months in 1961 when 19-crew operations also depressed earnings on this particular line: 12

<u>PAY ENDING</u>	<u>CREW'S OPERATING</u>		<u>PAY PERFORMANCE BY LINE</u>				
			<u>#1</u>	<u>#2</u>	<u>#3</u>	<u>#4</u>	<u>#5</u>
04-29-61	2nd Week	18	159	151	130	132	187
	1st Week	18					
05-13-61	2nd Week	19	169	136	125	121	177
	1st Week	19					
05-27-61	2nd Week	19	155	118	113	145	176
	1st Week	19					
06-10-61	2nd Week	19	157	124	117	139	180
	1st Week	19					
06-24-61	2nd Week	19	160	133	122	127	167
	1st Week	19					
07-08-61	2nd Week	19	158	126	127	127	171
	1st Week	19					
07-22-61	2nd Week	19	153	124	119	104	169
	1st Week	19					
08-05-61	2nd Week	19	162	108	105	110	180
	1st Week	19					
08-19-61	2nd Week	19	161	121	116	115	175
	1st Week	19					
09-02-61	2nd Week	18	148	121	103	119	176
	1st Week	18					
09-16-61	2nd Week	18	149	122	129	118	178
	1st Week	19					
09-30-61	2nd Week	19	162	121	127	124	190
	1st Week	19					
10-14-61	2nd Week	18	159	119	120	114	165
	1st Week	16					
10-28-61	2nd Week	18	166	123	123	125	184
	1st Week	17					
11-11-61	2nd Week	17	155	129	143	132	175
	1st Week	17					
11-25-61	2nd Week	13	165	130	132	118	156
	1st Week	13					
12-09-61	2nd Week	13	157	142	133	Down	165
	1st Week	15					
12-23-61	2nd Week	16	160	141	138	119	174

09-12-64	2nd Week	17	163	133	130	147	179
	1st Week	16					
09-26-64	2nd Week	16	163	146	128	138	170

During the period of 19-crew schedules, No. 2 Electrolytic Tinning Line was operated by three crews; their positions were filled by nine different operators, twenty-one different Shearmen, twenty-three different Feeders, twenty-eight different Solution Tenders, and thirty-three different Pilers. 14

The record also shows that an Electrolytic Tinning Line experiences some deterioration when it is shut down due to continuing action of acids, and that the effect of such deterioration frequently is not noticed to any extent until after the line has been in operation for about a month. 15

FINDINGS

In Case USS-4997-S, the Company admitted that serious operational difficulties existed for a limited period of time. The record in this case does not contain a similar admission, nor does it support a finding to that effect. The operational difficulties encountered after the line was reactivated did not differ from those normally experienced after other prolonged shutdowns, and cannot be attributed solely, or even to any degree, to the relatively minor equipment modifications. Also, problems connected with two new products were similar to those experienced on other lines. Under these circumstances, the Findings of Case USS-4997-S can find no application here. 16

The record further shows that efficiency and incentive earnings tend to decline in the Electrolytic Tinning Department when operations call for more than 15-crew schedules, and that the adverse incentive performance between April and August of 1964 is not traceable to the two grieved changes by any measurable extent.

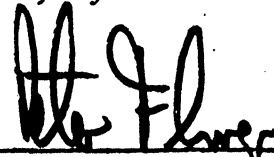
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AWARD

The grievances are denied.


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



Peter Florey
Assistant to the Chairman

Approved by the Board of Arbitration



Sylvester Garrett, Chairman