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United States Steel Corporation Wire Operations Waukegan Works and United Steelworkers of America Local Union 1115

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BOARD OF ARBITRATION

Case No. USS-5032-W

September 10, 1965

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION
WIRE OPERATIONS
Waukegan Works

and

Grievance No. WK-1650

UNITED STEELWORKERS OF AMERICA
Local Union No. 1115

Subject: Rates of Pay.

Statement of the Grievance: "We are receiving a wage reduction when we are assigned to work on unit pack banding 54" coils. We demand that interim rates be applied to this job until equitable incentive rates are established and all monies lost us be applied retroactive."

This grievance was filed in the First Step of the grievance procedure January 23, 1964.

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

Statement of the Award: The grievance is denied.

BACKGROUND

Case No. USS-5032-W

Seven employees in the Bundling and Inspection section of the Oil Tempering Department of the Spring Mill Division, Waukegan Works, request that they be paid a development work rate when assigned to the job of Bander (Oil Tempering) (44-30), which is a non-incentive job at the present time. The grievance itself reads: -

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"We are receiving a wage reduction when we are assigned to work on unit pack banding 54" coils. We demand that interim rates be applied to this job until equitable incentive rates are established and all monies lost us be applied retroactive."

The Third Step minutes reveal that the Union's intention was not to require an interim period but rather to obtain "payment of the established development work rate for work associated with making unit packs from 600 lb., 54" coils."

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It is the Union position that the development work rate paid to the job of Bundler (43-33) for unit packing oil tempered coils since 1956 should be extended to cover employees working the Bander job since that job also engages in bundling coils in unit packs, the only differences between the jobs being that Bundlers have bundled coils weighing more than 425 pounds each and have unitized 24" and 30" coils for years, while the Bander, commencing in December, 1963, handles 54" diameter coils weighing 600 pounds each into 3,000 pound unit packs. The banding installation is located some 50 feet from the original bundling station.

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Employees assigned to the job of Bundler are covered by a pre-1947 incentive which includes development work rates as "rates incidental." Management, says the Union, insists on paying the standard hourly wage rate to Banders and thereby, by an exercise in subterfuge, deprives them of the difference between the Bundler development work rate and SHWR. The Union notes that the Bundler and Bander job descriptions and classifications are substantially the same and that both jobs are in

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Class 5. The Union also says that the Bander job description and classification, developed in December 1963, does not bear signatures and therefore considers it not to be binding.

Since a developmental work rate or an average incentive earnings level has been paid to the Bundler job whenever it engages in unit packaging, Section 9-C-2 demands that the Company extend from the Bundler job to the similar Bander job the same development work rate whenever Banders engage in unitizing. While the Union considers that developing unit packs out of 24" and 30" coils is very similar to unitizing 54" coils into 3,000 pound units, the Union concedes that the employees initially assigned to unit packing 54" coils were paid the SHWR of the Bundler job until such time as the new Bander job was established. In essence, unitizing work remains unitizing work regardless of coil size.

The Company states that development work rates at Waukegan Works are occasionally paid to employees assigned to incentive jobs. "The rate consists of the average incentive earnings based upon a three-month reference period." Up to 1956 coils arriving at the Bundler station from the furnaces were firmly secured by Bundlers with round wire bands. Commencing in 1956 persons other than Bundlers placed flat wire bands on all coils, thereby significantly reducing the amount of work available for Bundlers since it was generally not necessary for them to re-apply flat wire bands at their station to re-bundle the heavier, 600 pound coils. In recognition of this change, the Company installed in 1956 a Special Hourly Interim Rate for heavy coils bound by flat wire bands, leaving intact the pre-1947 incentive when 300 pound coils were bundled with round wire. The special hourly interim rate, later referred to as a development work rate, was also paid to Bundlers when they unit-packed 24" and 30" coils.

In December 1963, says the Company, 54" diameter coils in 3,000 pound packs were customer-required and this triggered and prompted the establishment of the new Bander job to be worked at a new work station by a crew consisting of two Banders

(a Bundler works alone or with the assistance of a non-incentive Tractor Operator). The job description and classification of the Bander job, submitted to the Union on December 20, 1963, was "signed by the Plant Union Committee on January 1, 1964."

The Company purports to see similarity between this case and A-1039 which found that Section 9-C-2 "does not require the payment of an average earnings rate or of an incentive at all times and under all circumstances to persons occupying incentive jobs." As the Company views the Union position, the Board is now being asked to transfer an average earnings rate from an incentive job to a non-incentive job, which would be an impropriety since the Bander job is subject to the provisions of Section 9-C-1 of the Basic Agreement. 8

The Company emphasizes that the establishment of the Bander job at its new work station and its work in connection with much larger coils has deprived the Bundler job of nothing, since the Bundler still functions under his established incentive and in the same manner as always. A Bander is only sporadically assigned to large and heavy coils - 431-1/2 crew hours in the first fifteen months of the job's existence. 9

Development work rates are paid only for experimentation work which possesses Headquarter's approval. No experimentation existed here with respect to Bander work. Banders went, full blown as it were, into unitizing coils for customers. 10

To the Union's assertion that Management is obliged to continue the payment of average earnings to Bundlers engaged in unitizing and to carry it over to Banders while unitizing, Management responds with a reference to Section 9-F-2 and its mandate that all existing incentive plans "shall remain in effect until replaced by mutual agreement of the Grievance Committee and the Plant Management or until replaced or adjusted by the Company in accordance with Sub-section C of this Section." This, says the Company, is exactly what has been done and the integrity of the Bundler's incentive application remains intact - for Bundlers, not for the new Bander job. 11

Further, Section 9-C-2 may make obligatory the establishment of a new incentive when the existing incentive requires revision as a result of improvements, etc. The Bundler incentive requires no such replacement or revision, in the Company's view.

The new Bander job, in terms of Section 9-C-1, may or may not be placed under a new incentive according to the Company's discretion.

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FINDINGS

A question to be answered is whether Management is obligated to pay to incumbents of a new job the development work rate paid under an existing incentive application to incumbents of another job because of similarities between the working procedures of the two jobs - whether unitizing smaller and lighter coils is essentially the same as unitizing larger and heavier coils. A similar question is whether, as the Union implies, Management engaged in a Machiavellian scheme to flim-flam Banders out of the difference between their standard hourly wage rate and the development work rate paid to Bundlers by a misleading and unnecessary creation of a new job to do the same thing. The answer would seem to be negative for several reasons: The evidence is that Bundlers and Banders handle and service product of different sizes and weights; they use different equipment at different locations; and, of considerable importance, Banders work in a team of two, while Bundlers work singly. Thus, the banding operation is in substance a new operation.

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There is a basic difference of opinion between the parties as to whether the Union agreed to the description and classification of the Bander (Oil Tempering) job, the Union contending that it never did and the Company stating that the Plant Union Committee signed the description and classification on New Year's Day, 1964. If the Union did accede to the Bander description and classification with knowledge of the instant

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grievance (filed on December 2, 1963), this would constitute persuasive evidence that the Union Committee then entertained the same conviction that the Board presently holds that the Bander job was, in actual fact, a new job and not simply shadow-boxing to avoid a development work rate. Failure or refusal of the Union Committee to agree to the Bander description and classification would not require that this grievance be sustained since the Board, on the basis of the total bundle of evidence, considers that the banding operation is a new operation to which the bundling incentive is inapplicable, although the asserted refusal raises the question of why Management is so certain that the Local Committee came out on a cold holiday to affix their signatures to the description and classification, and why the signatures have not been made available to the Board.

In any event, under all of the evidence in this record, it seems clear that the banding operation properly may be deemed to fall under Section 9-C-1-a of the April 6, 1962 Agreement, and thus the establishment of incentive coverage for this operation lay in Management's discretion.

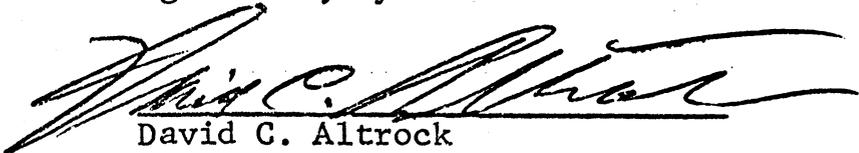
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AWARD

The grievance is denied.

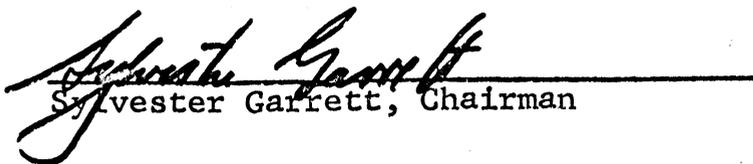
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Findings and Award recommended pursuant to Section 7-J of the Agreement, by



David C. Altrock
Assistant to the Chairman

Approved by the Board of Arbitration



Sylvester Garrett, Chairman