1-22-1971

United States Steel Corporation Gary Works (Gary Sheet & Tin Division) and United Steelworkers of America Local Union 1066

Sylvester Garrett
Chairman

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UNIVERSITY OF MICHIGAN
Department of Business Administration

BOARD OF ARBITRATION

Case USS-6684-S
January 22, 1971

SUPPLEMENTAL AWARD

UNITED STATES STEEL CORPORATION
Gary Works (Gary Sheet & Tin Division)
and

UNITED STEELWORKERS OF AMERICA
Local Union No. 1066

Grievance No. SGa-65-217

Subject: Incentive Administration - Compliance

Statement of the Grievance: "We, the employees of the 80" Hot Strip, contend that change #42, installed on Nov. 14, 1965, does not provide equitable incentive. We contend that management is in violation of Section 9-C-2 of the Basic Labor Agreement. We further, request all wages lost from Nov. 14, 1965 until final settlement of this grievance."

Contract Provisions Involved: Sections 9-C-2 and 9-C-4 of the September 1, 1965 Agreement.
<table>
<thead>
<tr>
<th>Grievance Data:</th>
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<tr>
<td>Original Award:</td>
<td>April 29, 1969</td>
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<td>Compliance:</td>
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<td>Step 3 Meetings:</td>
<td>July 21, 1969, Sept. 18, 1969, October 1969</td>
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<tr>
<td>Appealed to Step 4:</td>
<td>January 22, 1970</td>
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<td>Step 4 Meeting:</td>
<td>January 30, 1970</td>
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<td>April 21, 1970</td>
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<td>Case heard:</td>
<td>August 24, 1970 and Dec. 1, 1970</td>
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<td>Transcripts received:</td>
<td>Sept. 4, 1970 and Dec. 16, 1970</td>
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**Statement of Award:**
The standards under the 80" Hot Strip Mill incentive for operating crews shall be liberalized by 2%, retroactive to July 1, 1967 in order to reflect the impact of AGC and related equipment upon operations. The evidence shows no failure to comply with the April 29, 1969 Award for the period from November 14, 1965 to December 3, 1966.
BACKGROUND  Case USS-6684-S

This grievance by the crews operating the 80" Hot Strip Mill at Gary Sheet and Tin originally was filed December 20, 1965, and claimed that Change No. 42 to their incentive failed to provide equitable incentive compensation.

As noted in the April 29, 1969 Opinion in this case, the 80" Hot Strip Mill long was the work horse at Gary Sheet and Tin in providing sheets and coils for subsequent operations. About July 1, 1967 the 80" Mill was superseded by a new 84" Mill as the principal source of such product. Meanwhile Management had installed Automatic Speed and Gauge Controls (herein called AGC) on the 80" Hot Strip Mill in an effort to obtain more uniform gauge. The AGC installation was completed November 14, 1965 and thereafter one Assistant Strip Finisher per turn was eliminated from the operating crew because of operating changes incident to installation of the AGC equipment. This then was reflected in Change No. 42, which did not make any adjustment in standards other than that resulting from the change in crew size. In thus limiting the scope of Change No. 42, Management assumed that the new equipment would not produce any significant change in mill cycles or delays. Nonetheless serious operating problems promptly were encountered as a result of the AGC equipment and there also was reason to believe that, to some undefined extent, the AGC equipment would produce more delays over the long run than previously had been encountered.

Reference period earnings prior to activation of the new AGC equipment ran at 144%. Then, from the pay period ending November 20, 1965 through December 3, 1966, earnings were depressed largely as a result of operating difficulties engendered by the new AGC equipment. Commencing with the pay period ending December 17, 1966, however, earnings rose appreciably: from that pay period through July 1, 1967, earnings averaged in the vicinity of 149%.
About July 1, 1967, many of the skilled and experienced members of the 80" Hot Strip Mill operating and maintenance crews were transferred to the new 84" Mill as it began to operate. One result was that earnings under the 80" Hot Strip Mill incentive, here involved, declined significantly.

Operating crew earnings for the pay period commencing with July 15, 1967 and running through December 27, 1969 appear as follows:

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As these data reveal, earnings under the disputed incentive generally have fallen below the 144% level of the reference period, save for the last third of 1968. (Over six consecutive pay periods ending December 14, 1968 earnings averaged 147%).

The April 29, 1969 Opinion in this case included the following:

"Thus, on the evidence which has been made available to the Board there is only one possible finding: use of the AGC involved considerably more delay and mill outage than had been the case when the AGC was not used. The problem apparently still exists, moreover, although no data have been provided to show the precise extent to which this may be true.

"In any event, the remaining problems here involve determination of appropriate remedial action. On this score it appears that in December of 1966 earnings under the disputed incentive reached levels which exceeded average Pay Performance during the reference period and this favorable earnings condition existed for 12 consecutive pay periods. It may be that this resulted largely from heavy demand for steel from the 80" Hot Strip Mill, which was feeding both the old Sheet and Tin facilities and the new North Sheet Mill up to around July 1 of 1967, when the new 84"
Hot Strip Mill went into operation. It thus is possible (and the Board cannot assume otherwise) that in the period from December 3, 1966 through July 1, 1967, the AGC was used as little as possible in order not to impede production. The record does seem to indicate that most of the problems with the AGC equipment at least had been discovered by December of 1966 and many had been corrected to the extent possible. The Board has no basis to believe, in this record, that the use of the AGC had not been shaken down, to the extent feasible, by no later than July 1, 1967. It seems likely that whatever problems remained with the AGC equipment at that time are still there, and account for the fact it is not used very much.

"In any event, it is clear that the employees should not suffer a loss of earnings as a result of delays and mill outages caused by the AGC equipment which in effect was in an experimental or developmental stage until December 3, 1966. The employees in no way were responsible for the drop in mill performance over this interval. Accordingly, they must be made whole for lost earnings between the date when the AGC equipment first became operative and December 3, 1966 as if an interim period had been established and they had received earnings protection calculated in accordance with Section 9-C-2-c of the September 1, 1965 Agreement."
"It also is appropriate for the Company now to study accurately the amount of delay attributable specifically to use of the AGC, on a representative run of product for which it is used, and to establish standards for product when run with the AGC operative. Such standards should be made effective retroactively to December 3, 1966 and should provide the same earnings opportunity for product rolled with the AGC as is available for product rolled without use of the AGC. If retroactive application of these standards presents a problem because of inadequate records as to AGC product actually run, the parties will have to deal with this realistically on the basis of the best available data concerning AGC usage between December 3, 1966 and the date that the new standards are installed.

Perhaps a few words should be said about the drop in earnings on this Mill after July 1, 1967. There are several factors which must have contributed to this decline, such as (1) the transfer of experienced crew members to the 84" Mill, thus diluting the crew skill and experience on the 80" Mill; (2) the incidence of vacations in the Summer of 1967, (3) changes in product mix and order size as orders were assigned for rolling on the new 84" Mill. It may be that use of the AGC equipment on some of the product at the 80" Mill also contributed to the relatively low earnings after July 1, 1967. But if this is true, the proper remedy lies in retroactive application of appropriate new standards for AGC product.
"AWARD"

"The grievance is sustained to the extent that (1) grievants are entitled to be made whole for lost earnings between November 14, 1965 and December 3, 1966 in the manner set forth in this Opinion, and (2) new standards specifically applicable to product rolled using AGC equipment shall be developed promptly and installed effective as of December 4, 1966 so as to yield the same earnings opportunity as exists for non-AGC product rolled on this Mill. Problems of determining appropriate amounts by which members of the crews should be made whole for lost earnings under such new standards shall be solved by the parties on a practical basis."

The case was returned to Step 3 for implementation after the foregoing Award was issued. The Minutes recite the steps taken by the Company to implement the Award as follows:

"Management has interpreted this Award as requiring the Company to (1) provide an interim allowance for the period beginning November 14, 1965 continuing to December 3, 1966, (2) establish standards to cover AGC effect for the period beginning December 4, 1966 and extending to July 1, 1967, and (3) determine the effect of AGC standard from July 2, 1967 to date."
The first phase of implementing this Award has been accomplished with the establishment of an Interim Allowance of 144%. This portion of the Award is no longer in dispute. The second portion, the determination of AGC effect, is the remaining point in contest. As noted by the Arbitrator in the Award, the parties were to use the best means available and deal with the matter realistically.

In its investigation, Management discovered a 'Foreman's Log Book' maintained by the Turn Foremen in the 80" Hot Strip Mill. The purpose of this Log was to determine the use and condition of AGC. The instructions for the users were as follows:

'1. How many hours were operated with AGC on and off, giving reason for having it off.

'2. Any trouble with Productometers, Readouts, Load Lights, Loopers, Top Hats, etc.

'3. If there was trouble on your turn -- What was it? Who did you contact? What did he do?

'4. Condition of AGC at end of turn.'

The time period covered by the Log is October 26, 1966, to and including July 7, 1967.

Management's analysis of this Log Book is attached for reference.
"The conclusions reached from this analysis are as follows:

Total delay attributed to AGC -
partial AGC turn 343 minutes

Total delay attributed to AGC -
full AGC turn 110 minutes

Assume partial AGC turn = 4 hours
On full turn basis 343 x 2 = 686 min. +
full turns recorded = 110 min.
Total delay = 796 min.

Total turns AGC activity recorded = 179 turns
Total turns of operation in period = 216
Delay per turn = \[
\frac{796}{179} = 4.45 \text{ min./turn}
\]

4.45 ÷ 480 = .93%

"Subsequent to finding this Log Book, a second Log Book was discovered. This log book which was maintained by the 80" Hot Strip Mill Motor Room Tender, proved to be of no value, however, since, although it was reasonably complete as to electrical delay times on the Mill, no reasons were noted as to the causes of the delays. Without such reasons, delays attributable to AGC operation cannot be segregated.

"In addition to the 'Foreman's Log Book,' Management also reviewed the Mill delays attributable to AGC as noted on the 'Mill Delay Reports.' A summary of these reports for the period beginning December 1, 1966 to and including June 26, 1967, is attached for reference."
"On the basis of its investigation of the first Log Book and the Mill Delay Reports which Management feels are the best and only source available, the Company proposed a one percent (1%) adjustment to offset the AGC effect for the period beginning December 4, 1966. Subsequent to this investigation, a joint Company/Union Time Study was taken to determine present delays attributable to the AGC system. As a result of this Time Study, Management concluded that there are no further delays attributable to the AGC system (See attachment). Consequently, Management has proposed as a settlement to this case, a one percent (1%) adjustment to cover AGC effect from December 4, 1966 to December 31, 1969 and no further adjustment to the rate for the use of AGC equipment ... "

The Union here asserts that the Company's implementation of the April 29, 1969 Award is inadequate in the following respects:

1. New standards should be installed to assure "a payment of not less than 144%" for the 80" Hot Strip Mill operating crews (since this was the average earnings level before installation of AGC) and the crews made whole the difference between their actual earnings and 144% from December 4, 1966 up to the present.

2. The Company improperly offset earnings realized by the crews, on turns when they exceeded 144% pay performance, in making retroactive payments for the period between November 14, 1965 and December 3, 1966.
3. Since AGC equipment can function independently on the various finishing stands in the Mill, there can be a combination of manual operating and AGC conditions; operations are slowed when some Mill stands are under manual control because the AGC is malfunctioning. There also are many occasions when the new AGC equipment is fully inoperative, so that the work requirements are really the same as existed prior to introduction of the AGC equipment, but with one man less in the operating crew.

4. The Company has failed to analyze the full impact of the AGC equipment and elimination of one crew member, with the result that Change No. 42 was almost totally inadequate.

In Step 3 the parties fell into serious dispute as to the adequacy of the Company's proposed 1% adjustment to offset the effect of AGC upon operations. Some flavor of their differences appears in the following excerpts from the Minutes:

"On September 18, 1969, another meeting was held with Messrs. Fissinger and Payne attending for the Company, and Grose and Watson for the Union. At this time, the results of the Time Study were discussed and the one percent (1%) proposal mentioned above was made to the Union. The Union Representatives indicated they could not agree with the results of the Time Study, claiming that AGC Equipment was shut off whenever trouble did arise. This, in the Union's opinion, should be considered a delay attributable to AGC. The Union then claimed that
Management should install standards that provide a performance of 144% and pay the crews the difference between their earnings and 144% to date. Management pointed out that this, in effect, was asking for an endless extension of the Interim Period, and asked that the Union present any facts it might have for the basis of this proposal.

"The Union's Representative stated the Company would be furnished with a copy of the Union's interpretation of the Time Study, but the Union did not have the time to prepare any further reports upon which to base their proposal.

"On October, 1969, the final meeting was held with the Union concerning the implementation of the AGC Award. Attending this meeting were Messrs. Fissinger and Jarboe for the Company; Grose and Watson for the Union. Management reiterated its above proposal and the Union countered by saying Management should adjust the standards to pay 144% and pay the crews the difference between the earnings they received and 144%. Any failure to do this would necessitate returning the case to the Board of Arbitration. Management's Representative stated it was his understanding that the Union had a considerable volume of data which would contradict the figures arising as a result of Management's Time Study and based upon which the Union would make a counter proposal.
"To Management's request for a copy of this data, the Union's Representative replied it was the Union's intention to reserve this material for presentation to the Arbitrator. Management pointed out, this refusal on the part of the Union was a direct violation of Section 6-D-1 of the Basic Labor Agreement which requires that each of the parties reveal to the other a full and detailed statement of facts relied upon in support of their position at the earliest possible point of the grievance procedure."

Significant factual differences between the parties were developed more fully in Step 4 as follows:

"Union Witness Montoro said that, prior to the introduction of the Automatic Gauge Control Equipment, there were three employees per turn on the job of Assistant Strip Finisher; that following the introduction of this new equipment, however, one of the three Assistant Strip Finishers was discontinued, leaving only two. He said that the discontinued assignee was known as the Looper Operator; that there are many occasions when the new AGC equipment is not in operation so that the operating situation then prevailing essentially presents the same work requirements to the crew as existed before the introduction of the AGC equipment but, with the discontinuance of the so-called Looper
Operator, the crew functions short by one member. He said that this imposes a hardship on the crew as to work requirements and on many occasions the crew cannot keep up with the operation in an efficient manner, resulting in incentive performances lower than those which otherwise would be attained were the third Assistant Strip Finisher assigned.

"The Union's Representative said that Mr. Montoro's comments reflect one of the significant points the Union wishes to make in the processing of this grievance; that, whereas there is no recording of a 'delay' reflecting the adverse effect on performance of the crew in this situation, the fact remains that an adverse impact on their performance occurs for the reason that the incentive standards have not been adjusted to reflect the crew functioning with one employee short. He said essentially, therefore, the issue presented with regard to this matter has to do, not with 'delays' as such, but with the inadequacy of the incentive standards under such circumstances.

'Mr. Montoro added in similar vein to the above that, because the AGC equipment functions independently on various of the mill-stands involved, there can be a combination of a 'manual' operating condition and an 'automatic' operating condition; that the operation under such circumstance is slowed to the extent that some of the mill-stands are under manual control due to the
malfunctioning of the AGC equipment and that, again here, the incentive standards were not designed for such circumstance, inasmuch as in such circumstance there is the described crew shortage referred to above.

"Union Witness Montoro said further that about half of the time when the AGC equipment is intended to be controlling the screw-down operation it actually malfunctions; that under such circumstance the Company apparently, in its study and analysis of determining the extent of delay encountered due to the operation of the AGC equipment has considered the AGC as totally inoperative and has not included, therefore, delays experienced during such periods; that this is an erroneous assumption for the Company to make because there are other features of this equipment which continue to function.

"He said that customarily on the 80" Hot Strip Mill there are many small lot-size orders, as many as 100 a turn; that when there is a malfunction of the digital controls, even on a single mill-stand, the resultant need to proceed on the manual versus the automatic basis slows down the process, such slowing down being largely attributable to the fact that the crew must cope with the situation while one man short, the discontinued Assistant Mill Finisher.

"Union Witness Manteuffel, an Electronic Repairman, said that Plant Management limited
its study, to determine extent of delay time attributable to the new AGC equipment, to only that period when the Master Control is on the 'on' position; that even when it is on the 'off' position, however, there is involvement of the new equipment installed for the operation of the AGC. He said that as a result there is never a fully 'manual' operation, as compared to that which pre-existed the installation of the AGC equipment; that, specifically, upon installing the AGC equipment, the Company removed old equipment known as the 'speed regulator' which controlled speeds for the operation of finishing Stands 5, 6, 7, 8, 9 and 10 and, in place of it, installed the new equipment known as an 'Analog' and that, even though the Master Control is on the 'off' position, this new equipment continues to function. He said that there have been significant occasions of extensive delay encountered due to the malfunctioning of the Analog at times when the Master Control was in the 'off' position so that clearly, Plant Management has ignored those occasions of delay in developing its 1% settlement offer. To illustrate one significant instance of such, he said he believes there was a period of some three months in the latter half of 1967 when there was continuing difficulty with the Analog equipment; that, because Management's study period ended in July, 1967, obviously these extensive delays were missed by Management in developing its 1% offer. He said there are other similar examples related to the 'digital' controls which involve the screw-down equipment which
affect the extent of 'draft' taken on the product in process; that the Union conducted a time study, with Management's permission over a full week, and found that over half the time the AGC screw-down operation was not functioning properly so that manual operation was employed; that he now knows that the Company has ignored these kind of delays in its 1% offer to the extent they occurred while the Master Control was in the 'off' position.

"Union Witness Messina said that the Motor Room Tender record will show that there were many more delays than those given recognition by the Company through its study of the Foreman's Log Book in arriving at its 1% settlement offer. He commented also that the turn reports made by the mill Recorders illustrates the delays encountered and causes for them; to this, Union Witness Watson added that the Recorders were instructed not to record cobbles as delays due to the operation of the AGC equipment but, instead, to record them as 'cambered bars.' Union Witness Messina said further that the Company's determination of 453 minutes of delay due to the AGC equipment over the 5-month period studied would be shown to be wrong by comparing the information for such period as shown in the Motor Room Tender record.

"The Union's Representative remarked that there are obvious inaccuracies as to the facts insofar as the Company's analysis leading to its 1% settlement offer; that an example of it is the delay missed by the Company which occurred on December 6, 1966 as reflected in the very document the Company used; i.e., the Foreman's Log Book.
"Union Witness Grose, Chairman of the Grievance Committee, said that the Union is requesting that arrangements be made for Union Representatives to review the following documents from which it believes information can be extracted to support its position that the Company's basis for its 1% settlement offer is not reflective of the true delay picture resulting from the use of the new AGC equipment.

1. Motor Room Tender Records.

2. Electronic Repairman Log Book.

3. Recorders Reports. (Referred to also as the Mill Delay Reports.)

"The Company's Representative said that the Third Step Minutes do not reflect various of the contentions now being referred to in Step 4, such as, the matter of the inadequacy of the incentive standards due to the discontinuance of one of the three Assistant Strip Finishers and the claim that there is no such condition as a 'non-AGC operation' because the use of at least some of the new AGC equipment is involved even when the Master Control is in the 'off' position. He said that these are matters he will investigate before giving the Company response; that, additionally, he will determine whether the various records the Union has requested to review are available and will advise the Union accordingly."
"On February 27, 1970, the Company's Representative advised the Union's Representative that the records requested by the Union for review are available and can be reviewed at the plant location at such time as the Union wishes to do so. On March 12, 1970, the Union's Representative stated that, although the requested review of the records is still something the Union wishes to undertake, the Union did not want any further delay in the processing of the grievance through Step 4.

"The Company's Representative said in reply that he had thought the Union wished to review the records requested to provide information while the grievance was in Step 4 to refute the propriety of the Company's basis for its 1% settlement offer as made in Step 3; that he, nevertheless, in the face of the Union's request for prompt submission of Step 4 Minutes, will conclude his investigations and will provide the Company's comments accordingly without the Union's observations regarding the various records requested for review.

"The Company Representative's investigation was directed to the two questions raised by the Union regarding:

1. The discontinuance of one of three Assistant Mill Finishers and the claim that such imposed significant difficulties on the crew, and slowed the operation, during those periods when the AGC was inoperative whereby manual manipulation of various controls was necessary; and hence, that the incentive standards were not designed for such conditions and were inadequate.
"2. The matter of the Company ignoring delays in those periods when the Master Control was in the 'off' position resulting in an improper identification of the true extent of delays encountered because so long as there is a mill operation there is some involvement of the AGC equipment.

"Re: Item 1 Above - Assistant Strip Finisher
Issue: Arrangement Prior to Introduction of AGC

"1. No. 5 Mill Man (Assistant Strip Finisher)
    Worked on the Mill floor.
    a. Leveled No. 5 Finishing Stand rolls.
    b. Set guide boxes on Nos. 5, 6 and 7 Mills.

"2. No. 9 Mill Man (Assistant Strip Finisher)
    Worked on the Mill floor.
    a. Leveled Nos. 8 and 9 Finishing Stand rolls.
    b. Set guides on Nos. 8, 9 and 10 Stands.

"3. Looper Operator (Assistant Strip Finisher)
    Worked on far west end of speed pulpit.
    a. Operated all five loopers - one between each Finishing Mill."
b. Drafted Nos. 5, 6 and 7 Finishing Mills.

c. Leveled Nos. 6 and 7 Finishing Stand rolls.

"In addition the Strip Finisher performed as follows:

Worked on the Mill floor.

a. Drafted Nos. 8, 9 and 10 Finishing Mills.

b. Leveled No. 10 Finishing Mill.

c. Controlled water sprays on runout table to meet prescribed coiling temperatures.

"Arrangement After the Introduction of AGC

Two Assistant Strip Finishers per turned worked as follows:

1. No. 5 Mill Man (Assistant Strip Finisher)

   Worked on the Mill floor.

   (Same duties as before.)

2. No. 9 Mill Man (Assistant Strip Finisher)

   Works on the Mill floor.

   1. Levels No. 6 Finishing Stand rolls.

   2. Sets guides on Nos. 8, 9 and 10 Stands, as before.
"Note: Looper Operator - Assistant Strip Finisher: Discontinued

Disposition of former duties underlined below:

"a. Operated all five loopers - Speed Operator turns control on and it stays on for the entire turn; this control automatically operates the first three loopers whether the AGC is in the 'off' position or in the 'on' position. The Speed Operator Finishing manually operates the last two loopers, when needed.

"b. Drafted Nos. 5, 6 and 7 Finishing Mills - The Strip Finisher, who works in pulpit, drafts these mills, whether AGC is in the 'off' position or in the 'on' position.

"c. Leveled Nos. 6 and 7 Finishing Stand rolls - No. 9 Mill Man levels No. 6 Finishing Stand rolls from the Mill floor.

The Strip Finisher, who is in the pulpit, levels No. 7 Mill, along with Nos. 8, 9 and 10 Mills.

"In addition the Strip Finisher performs the following functions:

    Works in the pulpit.
"1. Drafts all Finishing Mills, using pre-set screw-down controls, whether AGC is in the 'off' position or in the 'on' position.

"2. Levels Nos. 7, 8, 9 and 10 Mills.

"3. Controls water sprays, as before.

"Conclusions:

"Features which reduced work requirements and which expedited the process 'after' AGC was introduced even when the AGC is not in operation:

"1. The use of the new pre-set equipment enables the setting of the draft (prior to the completion of the current order) whereby the draft arrangement for the next order is accomplished while the current order is in process versus the former requirement to set the draft for the oncoming order following the processing of the current order by manually turning pistol-grip switches to proper draft settings; further, if adjustment is needed during the process such is also accomplished by use of the new pre-set equipment - this is now done by the Strip Finisher versus the Looper Operator doing it under old method.

"2. The first three loopers are actuated automatically whereas before the Looper Operator did this.
"Note: When AGC is not working, the only work required is to adjust draft for Stands 6, 7, 8, this is done now by use of the pre-set equipment by the Strip Finisher in the pulpit whereas before the Looper Operator did so manually for Stands 6 and 7 and the Strip Finisher did it manually for Stand 8.

"There are no delays encountered due to required work under these circumstances which invalidate the incentive standards as contended by the Union.

"Re: Item 2 Above - Issue on propriety of Company's analysis of delays in its 1% settlement offer.

"1. It is true that some of the new equipment installed must function whenever the mill is operating whether or not there is automatic functioning of the gauge control; Attachment 4 reflects the minimal use of such equipment.

"2. It is also true that the Company's analysis of the extent of delays was limited to those periods when the Master Control was in the 'on' position. It is then only, of course, that there is a truly automatic gauge control whereby there is automatic in-process adjustment of the equipment to effect the desired dimensions of the finished product. (Mill Stands 6, 7 and 8 are the ones, specifically, which determine the gauge). The significant point overlooked by the Union, however, is that when the Master Control is in the 'on' position,
there is more equipment in operation than when it is in the 'off' position; obviously, as an axiom, there are more equipment delays encountered under circumstances when more equipment is in operation than when less equipment in operation. Couple this with the fact that the Company's analysis reflected a .93% delay experience when the Master Control was in the 'on' position ('more' equipment in operation) but, nevertheless, in its settlement offer converted the .93% to 1% and offered to extend its effect across the total time period whether or not the Master Control was in the 'off' position ('less' equipment in operation). Add to this also that, during the period over which the 1% offer would be applied, a large percent of the time the Master Control was in the 'off' position ('less' equipment in operation). Clearly, a proper understanding of the 1% settlement offer leaves no question that the Company has fully taken into account the delays claimed by the Union, and more.

"3. With respect to the Union Representative's remarks concerning the Company's inaccuracies in its analysis leading to the 1% settlement offer, investigation shows there was no delay experienced on December 6, 1966 associated with the operation of the AGC equipment, nor does the Recorder's Report for the turn involved (third turn) reflect any such delay. The notation in the Foreman's Log Book is:
'AGC on T.W. cycle shut down when No. 6 Looper stayed in up position to check.'

"This notation was made by Foreman Rupert who explains that when the No. 6 Looper stayed in the up position, he immediately arranged for the AGC to be shut off to avoid possible delay and that no delay was encountered.

"4. The pay performance during the period of the Company's 1% settlement offer (from December 4, 1966 to December 31, 1969) was, as an average, well above the 144% level for that segment of the overall period from December 4, 1966 through June, 1967; thereafter, however, from July 2, 1967 to December 31, 1969, there was a significant drop in pay performances. In the last half of 1967 the average was 128%, in the year of 1968 and 1969, the annual averages were 133% and 123% respectively. Such significant drop in performances coincided with the start up of the newly constructed 84" Mill (July 23, 1967) and is attributable virtually exclusively to the three causes referred to by the Company during the earlier Arbitration proceedings and cited by the Board in its Award, as follows:

'Perhaps a few words should be said about the drop in earnings on this Mill after July 1, 1967. There are several factors which must have contributed to this decline, such as (1) the transfer of experienced crew members to the 84" Mill,
thus diluting the crew skill and experience on the 80" Mill; (2) the incidence of vacations in the summer of 1967, (3) changes in product mix and order size as orders were assigned for rolling on the new 84" Mill ..."

"There is no requirement under such circumstances within the meaning of Section 9-C-2 of the Labor Agreement for the Company to provide for pay performances of 144% as requested by the Union in its stated position."

At the first compliance hearing the parties continued to hold their widely divergent views as to relevant facts, and the Union asserted that certain Log Books had not been made available for its study in determining the precise impact of AGC delay upon operations. Under these circumstances, the Chairman suggested that the parties make a post-hearing study of delays related to the use of AGC over a current two-week period and provide the results to the Board. The parties complied with this suggestion and on September 17, 1970 the Union wrote as follows:

"Following is the result of a study made by the Union relative to delays specifically attributable to the AGC equipment and the impact of those delays. The period of time covered by this study report is from August 3, 1970, to and including August 15, 1970."
"The total hours of delay was 43½ hours, or 2,610 minutes. The total minutes delay attributable to AGC was 252 minutes. The end result is that 9.6%, or approximately 10%, of the delays were caused by AGC malfunction or the result of AGC malfunction.

"The information for the study report was obtained from the following sources:

1. 80" Hot Strip Mill Turn Report
2. Electronic Log Book (80")
3. 80" Motor Room Tender Log Book

"The 80" Hot Strip Mill Foreman's Log Book was not made available to the Union's study committee.

"Full information from the Electronics Log Book was not available because Electronic Repairmen were not assigned to cover all rolling turns.

"In analyzing the sources of available information for this study, the Union was not able to determine the amounts of time the AGC was fully or partially in use.

"It is well to remember that in August, 1969, the 80" Hot Strip Mill was down for two weeks, at which time extensive repairs were made to AGC equipment; however, as recently as September 13th and 14th, 1970, the following incident occurred:
"September 13, 1970 - third turn

"The AGC and pre-sets were completely powered-down; therefore, the mill had to be operated manually. At 7:00 P.M. an additional employee was added to the crew.

"September 14, 1970 - first turn

"The AGC and pre-sets were still completely powered-down; therefore, additional employees were retained for the full turn.

"September 14, 1970 - third turn

"AGC in operation; therefore, crew-size returned to normal.

"It is fairly evident to the Union that AGC malfunctions continue to present a problem for the crews involved."

Under date of October 16, 1970, the Company replied to the Union's post-hearing submission (1) enclosing copies of (a) Mill Delay Reports for the turns in question, (b) relevant pages from the Electronic Repairmen Log Book, and (c) relevant pages from the Motor Room Tender Log Book, and (2) stating in part:
"Per the understanding reached during the Compliance Hearing on the above-captioned case, the Union transmitted to the Board by letter dated September 17, 1970, an 'analysis' of delays attributable to the AGC. (Note: The Company's copy of this transmittal was received by me on September 21, 1970.) In further accord with our understanding, the Company has reviewed this 'analysis' of the Union and is attaching herewith the Company's comments and rebuttal. These comments are documented in detail and are self-explanatory. However, in view of the nature of this case, and in particular the Union's claims with respect to their allegedly not being permitted by the Company to review necessary records relative to the AGC prior to the hearing, several comments beyond those in the attached exhibits are in order.

"First, the so-called 'analysis' submitted by the Union is virtually meaningless since it contains only conclusions and no basic factual data to determine the propriety of or foundation for these conclusions. In particular I refer to the Union's claim that for the period 'analyzed' there are a total of 252 minutes delay attributable to the AGC. While the Union lists three source documents which it reviewed in preparing its 'analysis,' there is no backup material included with this 'analysis,' so that it is impossible to determine from the four corners of the Union submittal its accuracy, reasoning, etc. Thus, the Company (using the
same three documents listed by the Union) in essence had to do the Union's work for it - and in so doing prepared the attached detailed study. In reviewing the Company submittal and the accompanying raw data upon which it is based, it is apparent that the unsupported Union figures and conclusions are totally unrealistic.

"Secondly, the Union claims that the '80" Hot Strip Mill Foreman's Log Book was not made available to the Union's study committee.' As you will no doubt recall, at the Compliance Hearing (during which the subject post-hearing submittal was the cause of lengthy discussions) I stated that the Company would permit the Union to examine whatever documents they requested. Since the Union did not request the foregoing log book, it was thus not presented to the Union. Nothing further need be said on this point.

"Third, as reflected in the transcript of the Compliance Hearing, it is clear that the agreement reached among the Arbitrator, Union, and Company with respect to a post-hearing submittal was that a two-week period commencing with the date of the hearing and going back was to be the so-called 'study' period and that if the Union for any reason felt that these two weeks were 'not representative' they would then have the opportunity to choose another week going either forward or backward from the initial two-week period. While it is a minor point, it is to be noted that on Page 2 of the Union's..."
transmittal letter to you the Union refers to three turns in the middle of September of 1970, which obviously are beyond the agreed-upon analysis period. However, even more important is the patently erroneous picture which the Union is portraying for those three turns. While the events of those turns are fully explained in the attached Company submittal, it may be briefly stated here that the reason for the 'powering down' of the AGC on those turns was a broken steam line above the AGC control room which flooded the control panels and thus made it necessary to power down the AGC equipment. For the Union to categorize this as a delay due to malfunction of the AGC is not only patently ridiculous with respect to these particular turns, but also casts substantial doubt as to the rest of the Union submittal and the reasoning behind it."

Since the foregoing communications revealed a continuing, undefined gulf between the parties as to what delays properly could be attributed to AGC and related equipment, and since the raw data provided by the Company was open to conflicting interpretation, a further hearing was scheduled at the request of the Chairman. This yielded a considerable amount of pertinent testimony from highly capable witnesses for both parties.

Upon request prior to the second compliance hearing, moreover, each party put in writing its view as to delays properly attributable to AGC and related equipment. According to the Company --
"An Automatic Gauge Control delay is any delay caused by Automatic Gauge Control Equipment malfunctions. Although many electrical controls are located in the Automatic Gauge Control maintenance pulpit, only those circuits that control the actual automatic running of the screws and related functions of the speeds and loopers can be considered as a delay factor attributable to the Automatic Gauge Control installation."

The Union characterized the Company definition as unrealistically narrow and stressed (1) that camber can be produced by AGC on the finishing stands "because the constant gap adjustment of the rolls aggravates the clutches and the looseness of the screws, causing the mill to go off level," (2) that delays may occur when the strip sticks in a guide box because of premature rising of a looper, and (3) that a cambered strip, caused by AGC, also may stick in a guide box.

Under the Company definition there were only 18 minutes of AGC delay over the 22 turns in August of 1970 which were reviewed by the parties. The Union claimed a total AGC related delay of 252 minutes, out of 2610 minutes total delay, over the 177.1 hours included in the 22 turns.
FINDINGS

Two matters now require decision: (1) whether the new standards, established to reflect the impact of AGC and related equipment on operations, should insure that the 80" Mill employees earn not less than 144% retroactive to December 3, 1966, and (2) whether the Company improperly complied with the requirement of the April 29, 1969 Award that the 80" Mill crews be made whole for lost earnings between November 14, 1965 and December 3, 1966 "as if an interim period had been established and they had received earnings protection calculated in accordance with Section 9-C-2-c of the September 1, 1965 Agreement."

The Union request that the new standards be set to produce an average earnings level of 144% for the 80" Hot Strip Mill operating crews retroactive to July 1, 1967 rests on the assumption that lower earnings after that date resulted solely from use of the AGC and related equipment. If this assumption were accepted as sound, then the new standards presumably would have to be perhaps 10% more liberal than the old. But the voluminous evidence presented in this case establishes that this basic assumption by the Union cannot be accepted. Other major factors, independent of AGC and related equipment, undoubtedly have contributed in varying, but substantial, degree to the lower crew earnings after July 1, 1967. In recognition of this very fact, indeed, the April 29, 1969 Award directed only that standards be developed to cover product run "with the AGC operative" stating:

"It may be that use of the AGC equipment on some of the product at the 80" Mill also contributed to the relatively low earnings after July 1, 1967. But if this is true, the proper remedy lies in retroactive application of appropriate new standards for AGC product."
The Board's Opinion also noted specifically that the large drop in earnings after July 1, 1967 resulted in very substantial part from the dilution of skills and experience (supervisory, operating, and maintenance) which occurred when much of the 80" Mill personnel was transferred to the 84" Mill, which supplanted the 80" Mill as the prime source of coil and sheet product handled in subsequent Gary Sheet & Tin operations.

The April 29, 1969 Opinion also indicated that the new standards should "provide the same earnings opportunity for product rolled with the AGC as is available for product rolled without use of the AGC." This suggestion was based on erroneous information provided in the parties' presentations at the first hearing, indicating that AGC and its related equipment could be wholly inoperative while the mill was run manually. At the first compliance hearing, however, it was made clear that some portions of AGC related equipment must function if the mill is to roll at all. And while it may be common for some parts of AGC to be inoperative, when all AGC and related equipment are inoperative the mill cannot operate.

Thus the Company has sought to comply with the April 29, 1969 Award by adjusting the standards for all product run on the 80" Hot Strip mill. The Union raises no objection to this practical approach and it is embraced by the Board for purposes of the present decision.

But since the Board's indication that the required adjustment should be retroactive to December 3, 1966 resulted only from an erroneous impression created by the parties' presentations (to the effect that very little of the production between December 3, 1966 and July 1, 1967 could have been
affected by the AGC and related equipment) it is appropriate now to set a more realistic retroactive date. Between December 3, 1966 and July 1, 1967 the 80" Mill operating crews attained earnings above the 144% reference period average level and over this period the need for maximum production resulted in minimizing use of AGC. Thus it makes no sense now to apply a general adjustment in all standards, because of the AGC and related equipment, to a period of seven consecutive months when the crews were averaging better than the 144% earnings level of the reference period, because use of AGC was being held to a minimum. Thus the adjustment here awarded should be effective only as of July 1, 1967. There is, however, no reason to limit the adjustment to a period terminating on December 31, 1969, as the Company urges. No evidence has been offered to suggest that any change in relevant conditions occurred at that time, and the liberalization in standards required under the present evidence thus should continue in effect as long as there is no change in relevant conditions.

Determination of the proper amount of liberalization of the disputed standards is unusually difficult. The Company definition of delays attributable to AGC and related equipment undoubtedly is too narrow. The evidence at the second compliance hearing leaves no doubt on this score. But it is equally clear that some delays attributed to AGC by the Union are not properly so attributed. And a large proportion of the other claimed delays are in a doubtful category for which no precise determination can be made, on the kind of evidence available to the Board.

In formulating the April 29, 1969 Award, the Board had inferred from the evidence that it would be possible to study all delays in using the AGC and compare them with delays.
over a representative period of 80" Hot Strip mill operation without AGC. But since the mill cannot operate without activation of at least some AGC related equipment, a meaningful current comparison is impossible. Moreover, average delay figures developed when the old standards were installed cannot provide a proper basis for comparison many years later, under long established interpretations of Sections 9-C-2 and 9-C-4.

In reaching a final decision on such a matter, of course, the Board acts on a case-by-case basis without elaboration of detailed reasoning. On all of the evidence now available, therefore, the Board here finds that the standards in issue should be liberalized by 2% retroactive to July 1, 1967. All members of the 80" Hot Strip mill operating crews shall be made whole for lost earnings accordingly.

This leaves only the question as to applying the April 29, 1969 Award insofar as it required earnings protection for the employees between November 14, 1965 and December 3, 1966. The April 29, 1969 Award directed that the employees be made whole for lost earnings over this period "as if an interim period had been established and they had received earnings protection calculated in accordance with Section 9-C-2-c." There is no showing of any failure by the Company to comply with this directive.

AWARD

The standards under the 80" Hot Strip Mill incentive for operating crews shall be liberalized by 2%, retroactive to July 1, 1967 in order to reflect the impact of AGC and related
equipment upon operations. The evidence shows no failure to comply with the April 29, 1969 Award for the period from November 14, 1965 up to December 3, 1966.

BOARD OF ARBITRATION

Sylvester Garrett, Chairman