3-5-1971

United States Steel Corporation Eastern Steel Operations Homestead Works (Wheel and Axle) and United Steelworkers of America Local Union 1924

Sylvester Garrett
Chairman

BOARD OF ARBITRATION

Case USS-7791-H

March 5, 1971

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION
EASTERN STEEL OPERATIONS
Homestead Works (Wheel and Axle)

and

Grievance No. HHW-69-273

UNITED STEELWORKERS OF AMERICA
Local Union No. 1924

Subject: Incentive Administration

Statement of the Grievance: "We the undersigned Snyder Center Turning operators, Incentive application 6120, contend that change #2, which was installed 6/20/69 with an effective date of 4/14/69 does not provide equitable incentive opportunity.

"Previous to change #2 we had been attaining up to 168%, and as stated by the Industrial Engineers, the last 8 pay periods before the new requirements were put into effect, the operators averaged 162%. It is impossible to average 162% with the new requirement change.

"An adjustment of the standards to enable us to maintain our equitable earnings level. Retroactive pay for all money lost since the installation of the change."

Contract Provisions Involved: Sections 9-C-2 and 9-C-4 of the August 1, 1968 Agreement.

Grievance Data:

	Date
Grievance filed:	July 2, 1969
Step 2 Meeting:	Not available
Appealed to Step 3:	October 31, 1969
Step 3 Meeting:	November 5, 1969
Appealed to Step 4:	December 2, 1969
Step 4 Meeting:	February 5, 1970
Appealed to arbitration:	May 8, 1970
Scheduled for hearing:	October 7, 1970*
Rescheduled for hearing:	December 15, 1970*
Case heard:	January 11, 1971
Transcript received:	January 19, 1971

* Postponed at request of Union.

Statement of Award: The grievance is sustained to the extent that each of the new Standard Time Values provided in Change No. 3 shall be liberalized by 6%, retroactive to April 13, 1969.

BACKGROUND Case USS-7791-H

1 This grievance from the Wheel and Axle Division of Homestead Works was filed on July 2, 1969 and claims that the Company failed to meet the requirements of Section 9-C of the August 1, 1968 Agreement, when equipment and operating changes required revision of an incentive for Turning Machine Operators (Snyder Center).

2 Incentive Application No. 6120, first installed in May of 1966, is a fixed process allowance plan calculated on a turn basis, covering operation of the Snyder Center Turn Axle Lathe which finish traces the center of rough turned-all-over axles.

3 Until April of 1969 the Snyder Center Turn Axle Lathe had worked to a maximum 250 micro-inch finish in machining the axle bodies. Effective April 13, 1969 this finish requirement was changed to a smoother finish of 125 micro-inch. To obtain the new finish necessary mechanical changes were made, so that the R.P.M. of the lathe was approximately doubled while the feed rate was reduced substantially. At this time the Lathe Operators were told that the incentive impact of the new and more time-consuming finish requirement would be studied. On June 20, 1969, Change No. 2 was installed (effective April 13, 1969) to recognize the effect of the new operating conditions somewhat, by liberalizing the old standards. The grievance then was filed July 2, 1969, complaining that Change No. 2 was inadequate and stressing that over 8 pay periods prior to the effective date of Change No. 2 earnings had averaged 162%, while earnings under Change No. 2 were palpably lower.

4 The Company then studied the new operation again and installed Change No. 3 (retroactive to April 13, 1969) which in effect was substituted for Change No. 2. To the extent

here relevant, the new standards established in Change No. 3, and the original standards, appear in the incentive brochure as follows:

"A. Machine Operations

"The following standard time values cover all work and attention required of the Machine Operator to roll down axles on the entry rack; align each axle; to operate the Snyder Center Turning Machine to finish trace the center of treated or untreated rough turned all over axles. Included in the standard time values are allowances for recording axle serial numbers, removing scrap after the machining operation, changing, adjusting or indexing carbide tools, loading and unloading out of normal cycle before and after tool changes, checking axle dimensions, checking cutting heads and the necessary starting and stopping of the machine as related to the above work. Also included are allowances for rest and personal requirements.

"1. Finish Trace Axle Center

Axle Finished Center Length (Inches)		Standard Hours Per Axle Machined — Micro Inch Finish Range			
Over	To and Including	Over 60	To and Including 125	Over 125	To and Including 250
40	41		.133 *		.120
41	42		.136 *		.122
42	43		.138 *		.124
43	44		.141 *		.127
44	45		.143 *		.128
45	46		.145 *		.131
46	47		.147 *		.133
47	48		.149 *		.134
48	49		.152 *		.136
49	50		.154 *		.139

* Changed Standard Time Values"

Although still listed in the incentive brochure, the original standards have not been applied since Change No. 3 was developed, because no axles have been worked to the old specifications. It is unclear whether the feed rate today, in light of the required mechanical changes, would be the same as before April 13, 1969, if axles now were to be finished only to the 250 micro-inch maximum. Relevant earnings data under the old and new standards include: 5

Date	IMP	IPP
1968	163	161
1- 4-69	166	166
1-18-69	166	162
2- 1-69	166	163
2-15-69	159	160
3- 1-69	165	160
3-15-69	157	153
3-29-69	166	166
4-12-69	163	163
Change No. 3 Effective		
4-26-69	132	132
5-10-69	142	141
5-24-69	141	140
6- 7-69	144	143
6-21-69	141	142
7- 5-69	139	139
7-19-69	143	143
8- 2-69	143	141
8-16-69	147	144
8-30-69	143	142
9-13-69	142	142
9-27-69	140	141
10-11-69	146	145
10-25-69	144	142
11- 8-69	148	147
11-22-69	148	146
12- 6-69	150	150
12-20-69	146	143

Date	IMP	IPP
1- 3-70	151	150
1-17-70	148	144
1-31-70	154	148
2-14-70	144	143
2-28-70	148	146
3-14-70	152	146
3-28-70	153	148
4-11-70	151	147
4-25-70	147	146
5- 9-70	153	146
5-23-70	153	152
6- 6-70	149	145
6-20-70	148	143
7- 4-70	152	149
7-18-70	151	147
8- 1-70	139	141
8-15-70	139	137
8-29-70	115	123
9-12-70	145	137
9-26-70	148	148
10-10-70	146	144
10-24-70	153	149
11- 7-70	140	143
11-21-70	150	150
12- 5-70	153	149
12-19-70	148	145
12-31-70	149	146

In support of the grievance the Union asserts that the reduced earnings do not result from any lack of employee effort but only because the new Change No. 3 standards are too tight and do not provide an earnings opportunity similar to that offered under the old standards. The Union emphasizes that prior to Change No. 2 the per axle standard for one of the more common axles machined was .134 standard hours. This was liberalized to .142 standard hours per axle by Change No. 2, and then to .149 standard hours by Change No. 3. In view of the appreciably greater time now required to perform the necessary machining (because of the reduced feed rate) and the markedly greater need to change or index tools (because of greater wear and stress in the changed operation) the Union holds that the liberalization of standards finally effected in Change No. 3 is very substantially inadequate, and that a further adjustment should be made to raise average earnings levels at least to 162%. 6

In reply the Company claims that the employees are not putting forth comparable effort today to that expended in obtaining generous incentive earnings prior to April 13, 1969; it suggests that the Operators are pegging production. On some occasions the men are said to quit work early. They also, says the Company, now take longer lunch periods than formerly, and the loading-unloading time appears to be greater than before. The Company presented various exhibits, setting forth selected turns and partial turns, which were said to reveal that the Operators easily could attain 160% or more earnings if they consistently worked as hard over a full 8 hours as they usually worked up to the lunch break, and as some of them had worked on short turns of from 3 to 6 hours. Two charts showing the actual times of lathe operation, and indicating the loading 7 time per piece, were presented--one covered a turn in February of 1969 and the other a turn involving substantially the same axle run in May of 1970. The Company feels that these charts, and its other exhibits, show that the men are holding production in the area of 77 to 79 axles per turn, or less.

FINDINGS

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While the Company has elected to treat Change No. 3 as an "adjustment" under Section 9-C-2-a of the Agreement, the evidence reveals that in fact it constitutes a replacement incentive within the meaning of Sections 9-C-2-b and 9-C-4. It was necessary to modify the lathe mechanically in order to double its R.P.M., and no axles have been processed only to the old maximum 250 micro-inch finish since Change No. 3 was installed. While the lathe obviously still is capable of producing the old finish it has not been used at all for this purpose. Thus, under the somewhat unique facts presented in this record, it is proper that the standards in Change No. 3 now be tested under the criteria set forth in Section 9-C-4. To the extent that the new standards fail to provide an earnings opportunity equal to that which prevailed over the 3 months prior to April 13, 1969 they will have to be liberalized, retroactive to that date. 9

If the Operators are applying substantially the same effort to achieve earnings under Change No. 3, as they applied during the reference period, then it would appear that the new standards in Change No. 3 should be liberalized by 10%, or more, to provide the same earnings opportunity as existed before

April 13, 1969. On the other hand, if the Company is correct in its argument that the employees deliberately have been pegging production well below what they reasonably could achieve, on the basis of experience up to April 13, 1969, then there would be no reason for the Board to award any relief to the grievants.

Careful study of the available evidence requires the conclusion that no deliberate pegging of production at unreasonably low levels (in light of reference period experience) is established. The evidence presented by the Company for this purpose is too obviously selective and not sufficiently representative to support the inference which it wishes the Board to embrace. Indeed, its own evidence shows a very significant increase in the machine cycle covering the actual finishing of the axle in the lathe. Change No. 3 demonstrably does not make adequate provision for this clearly defined increase in machine cycle time. 10

At the same time, however, the evidence also confirms that the Operators to some extent are not putting forth the same effort as they did during the reference period. In particular, the loading time per axle (before activation of the lathe for finishing each piece) seems significantly higher. It also may be that the men are taking more (or longer) lunch or relief breaks, although it is impossible to measure the precise extent to which this might be true. 11

Taking the evidence as a whole, therefore, it appears that each of the new ("changed") Standard Time Values set forth in Change No. 3 (Section 2-A-1 of the incentive brochure) must be liberalized by 6%. The evidence seems reasonably clear 12 that with this liberalization Change No. 3 should provide about the same earnings opportunity as was afforded the employees during the reference period.

AWARD 13

The grievance is sustained to the extent that each of the new Standard Time Values provided in Change No. 3 shall be liberalized by 6%, retroactive to April 13, 1969.

BOARD OF ARBITRATION

Sylvester Garrett

Sylvester Garrett, Chairman