2-18-1966

United States Steel Corporation Homestead Works and United Steelworkers of America Local Union No. 1924

Sylvester Garrett
Chairman

BOARD OF ARBITRATION

Case USS-5253-H

February 18, 1966

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION
Homestead Works

and

Grievance No. A-64-26

UNITED STEELWORKERS OF AMERICA
Local Union No. 1924

Subject: Incentive Administration.

Statement of the Grievance: "We the following Farrell Axle Lathe Operators protest the installation of the Standards Improvement Award Incentive Application 6118. Furthermore the application does not provide equitable incentive compensation.

"This type of incentive is improper unless agreed upon by the Local Union.

"The standards are not adequate.

"Elimination of the Standards Improvement Awards Section 4A, Page 6 Adjustments of the Standard. Retroactive compensation from the date of installation."

This grievance was filed in the First Step of the grievance procedure January 13, 1964.

Contract Provisions Involved: Sections 9-C and 9-F of the April 6, 1962 Agreement as amended June 29, 1963.

Statement of the Award: The grievance is sustained to the extent that Management shall either (1) continue the present incentive in effect but delete therefrom all SIA provisions, or (2) withdraw the incentive and replace it promptly with a new incentive subject to the conditions specified in the above quoted excerpts from the February 18, 1966 Opinion in Case USC-1896.

FINDINGS Case USS-5253-H

This grievance from the Wheel and Axle Division of Homestead District Works protests inclusion of Standards Improvement Award features in an incentive covering operation of a Farrel Axle Lathe. 1

The new incentive was installed in Management's discretion under Section 9-C-1, and the parties are in agreement that it provides equitable incentive compensation. The only issue which remains is presented by the Union's request that the Company either (a) withdraw the Standards Improvement Award features of the incentive, or (b) install a new incentive which provides equitable incentive compensation without including any Standards Improvement Award features. 2

In its present form, this case does not present any significant issues going beyond those dealt with in the Second Opinion and Award in Case USC-1896, also decided today. 3

The following excerpts from the Opinion in USC-1896 are relevant: 4

> "Against the background of these circumstances it seems proper to shape the remedial action in the present case on the basis of the facts as they now exist. It is clear that SIA type provisions cannot be applied any longer, either in these incentives or in any other comparable installations, absent approval by an International Officer of the Union. To comply with relevant requirements of Sections 9-C and 9-F-2 from this point forward, therefore, Management may embrace either of the following alternatives as to each of the incentives here involved: (a) continue the

present incentive in effect, deleting therefrom (and hereafter giving no effect to) the disputed SIA provisions, or (b) withdraw the incentive in its entirety and replace it promptly with a new incentive in accordance with the procedure of Section 9-C-3. Any such new incentive shall be made effective as of the commencement of the first full pay period following the date of this Award, save that if necessary Management will be entitled to establish an interim period (commencing as of such date and based on average hourly earnings during the preceding three months), using for such purpose the relevant provisions of Section 9-C-2-c.

"It should be clearly understood that this remedial action is addressed only to the entirely unique situation now in hand, which must be dealt with in a practical way and in all fairness to both parties. While the Company cites a decision in Case N-182 where the Board permitted it to withdraw a Section 9-C-1 incentive installation after ruling that a crew reduction was improper, without any requirement that incentive coverage be continued, that case involved quite different facts from the present. There the improper crew reduction was a condition precedent to installation of any incentive at all. Here the incentives were installed with provisions which violated the Agreement, but which might never have become operative, and which could not in any event become operative until after the 60-day period provided in Section 9-C-3-d for filing a grievance contesting equitability of compensation under the incentive. Other obvious differences between the situation in Case N-182 and the present case need not be belabored here."

AWARD

The grievance is sustained to the extent that Management shall either (1) continue the present incentive in effect but delete therefrom all SIA provisions, or (2) withdraw the incentive and replace it promptly with a new incentive subject to the conditions specified in the above quoted excerpts from the February 18, 1966 Opinion in Case USC-1896.

BOARD OF ARBITRATION

Sylvester Garrett, Chairman