

9-18-1964

# United States Steel Corporation American Steel and Wire Division Joliet Works and United Steelworkers of America Local Union 1445

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BOARD OF ARBITRATION

Case No. A-1004

September 18, 1964

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION  
AMERICAN STEEL AND WIRE DIVISION  
Joliet Works

and

Grievance No. JOL-1061

UNITED STEELWORKERS OF AMERICA  
Local Union No. 1445

Subject: New Incentive

Statement of the Grievance: "We, the representative group, feel Management is in violation of Section 9-C-2 of Labor Basic Agreement. We are asking for interim rate on continuous Wire Drawing Machines."

This grievance was filed in the First Step of the grievance procedure August 23, 1962.

Contract Provisions Involved: Sections 9-C-1 and 9-C-2 of the April 6, 1962 Agreement.

Statement of the Award: The grievance is denied.

BACKGROUND

Case No. A-1004

In this grievance, employees of the Wire Drawing Department of Joliet Works seek payment of interim differentials under Section 9-C-2 of the April 6, 1962 Agreement for the period from August 6, 1962 to March 18, 1963, for the operation of new HRM Vaughn Continuous Wire Drawing Machines.

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In 1960, wire drawing operations in the Wire Drawing Department were covered by five incentive applications:

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Appli-  
cation  
Number

- 8 covering all Morgan Connor Continuous Clutch Type Wire Drawing Machines drawing low, medium, and high carbon steel rods to wire of fine gauge in five and six drafts. This application seemingly covers wire of small gauge which can be drawn on a variety of machines although some standard time values are specifically restricted to Machine Nos. 55 through 58.
- 13 covering Vaughn Two-Draft Single Spindle Motor Block Machine Nos. 15 through 20, on which low carbon steel rods are drawn to wire of large gauge.
- 64 covering Morgan Connor Continuous Clutch Type Wire Drawing Machines drawing low carbon steel rods to medium gauge wire in 3, 4, and 5 drafts. On the face sheet, this Incentive covers Machine Nos. 46, 47, and 48 but specific time values also mention Machine Nos. 49 and 50.
- 90 covering Morgan Connor Continuous Clutch Type Wire Drawing Machine Nos. 10, 11, 21 through 46, and 51 through 54, on which low carbon steel rods are drawn to medium and small gauges on 3, 4, 5, 6, and 7 drafts.
- 129 covering Vaughn Single Spindle Motor Block Machine Nos. 2 through 10, on which low carbon steel rods are drawn to large gauges in one draft (with the exception of Machine No. 3 which will draw either one or two draft wire).

When production in the Wire Drawing Department fell off, the Company moved Morgan Connor Continuous Clutch Type Wire Drawing Machine Nos. 21, 22, 27, and 28 to Duluth and relocated HRM Vaughn Machine Nos. 19 and 20 and Morgan Connor Machine Nos. 23 and 26 within the mill. (It was stated at the hearing that these machines continued to operate under the respective incentive applications at their new locations.)

In order to offset the loss of business, it was decided in 1960 to broaden the range of products manufactured in the Joliet Mill, and plans were made to process spring wire, a high carbon product. These plans involved considerable changes in the operational setup of the mill and included the addition of six new HRM Vaughn Continuous Wire Drawing Machines. When these machines were delivered to the Wire Drawing Department, they were located in the area formerly occupied by the removed machines. Jobs on the new machines were posted and filled in part with employees then working elsewhere in the department. Seemingly all wire drawing jobs in the Department are titled Wire Drawer (Continuous) Plant Code No. 36-15 (Class 10).

At the recommendation of the manufacturer, the new machines were broken in in January of 1962 by processing a small quantity of low carbon wire, which was then followed up by the exclusive processing of high carbon spring wire. In March of 1963 Incentive Application No. 78 was presented to the Union, which was disputed and is still under consideration in the grievance procedure. On its face this Application covers Continuous Vaughn Machine Nos. 101 through 106, drawing high carbon steel rods to wire from 8 to 16 gauge in 2, 3, 4, 5 or 6 drafts.

In this case, the Operators of the new machines claim that the new incentive should have been established in accordance with the provisions of Section 9-C-2 of the Basic Agreement, thereby entitling them to an interim allowance under 9-C-2-c.

The Union argues that high carbon wire had been produced on Morgan Connor machines at Joliet in the past and was covered at one time by a rate sheet replaced by Incentive Application No. 90 in 1958. Therefore, an unspecified incentive covering the Morgan Connor machines should have been amended to cover the production of high carbon wire on the Vaughn machines, and a 9-C-2 interim allowance should have been established.

The Company submitted that Section 9-C-2 cannot apply because the incentive application for the Vaughn machines neither replaced nor changed any other incentive application. Before and after the installation of the new machines, all existing incentive applications in the department continued in effect. Incentive applications established at Joliet cover specific products processed on specific machines; the new incentive application for the Vaughn machines covers a new and different product and newly acquired and different machines. The new machines were not purchased as replacements of machines then in operation. In fact, they created additional employment opportunities. Moreover, the high carbon wires produced during war years under trying circumstances cannot be compared to the spring wire now produced on the new Vaughn machines. The basic characteristics and end uses of the two types of wire are different.

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### FINDINGS

The facts of this case are substantially similar in significant respects to those in Case CI-144. There, crews working on the 36" and 80" Pickling Lines and a floating crew originally were covered by one incentive. By 1942 a separate incentive application was established for each one of the crews. In 1947 a new 56" Pickling Line was put into operation. The Union claimed that this Line should be covered by the incentive application of the 80" Line since the products already processed on that Line were most similar to those to be processed on the new Line; or that one of the older plans should be revised to take into account the mechanical improvements, greater line speed, etc. of the new Line; or that, if Management felt that both of these alternatives were impractical, it should negotiate with the Union to establish an interim rate which would preserve the incentive level of earnings of such of the older employees as were transferred to the new line. The Board in CI-144 ruled that neither Section 9-C-2 nor Section 9-F-2 of the April 22, 1947 Basic Agreement required the establishment of an incentive plan on the new line since all the old incentive plans remained in effect and did not require revision because of mechanical improvements on the lines to which they were applicable.

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Reference is made to the discussion of this case in USC-1687 and -1688. None of the existing incentives covering wire drawing at Joliet was disturbed when the new machines involved in this case were added. The various types of wire drawing machines at Joliet are covered by separate and distinct incentives, recognizing the differing operations and production requirements. Since all of these incentives continued to apply after the disputed new machines were added, there was no occasion to revise any of them. And none of the existing separate incentives could have been applied to the new equipment because of its differing characteristics and product. In these circumstances the interim differential technique set forth in Section 9-C-2 is inapplicable.

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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



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Peter Florey  
Assistant to the Chairman

Approved by the Board of Arbitration



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Sylvester Garrett, Chairman