Report

TO

THE PRESIDENT

BY THE

EMERGENCY BOARD

APPOINTED BY EXECUTIVE ORDER 11006 DATED FEBRUARY 22, 1962, PURSUANT TO SECTION 10 OF THE RAILWAY LABOR ACT, AS AMENDED

To Investigate certain unadjusted disputes between Eastern Airlines, Inc., a carrier, and certain of its employees represented by the Flight Engineers' International Association, a labor organization.

(NMB Case A–6289)

WASHINGTON, D.C.
MAY 1, 1962

(Emergency Board No. 144)

LETTER OF TRANSMITTAL

WASHINGTON 25, D.C., *May 1, 1962.*

THE PRESIDENT,
The White House, Washington, D.C.

Mr. PRESIDENT: The Emergency Board created by you on February 22, 1962, by Executive Order 11006, pursuant to section 10 of the Railway Labor Act, as amended, to investigate an unadjusted dispute between Eastern Air Lines, Inc., and certain of its employees represented by the Flight Engineers' International Association, a labor organization, has the honor to submit herewith its report and recommendations based upon its investigation of the issues in dispute.

Respectfully submitted.

THEODORE W. KHEEL, *Chairman.*
PAUL N. GUTHRIE, *Member.*
BYRON R. ABERNETHY, *Member.*

TABLE OF CONTENTS

I. INTRODUCTION

Emergency Board No. 144 was created on February 22, 1962, pursuant to the terms of section 10 of the Railway Labor Act, as amended (45 U.S.C. 160), by Executive Order 11006 of the President of the United States. In Executive Order 11006 the President directed this Emergency Board to investigate and report on certain unadjusted disputes between Eastern Air Lines, Inc., a carrier, and certain of its employees represented by the Flight Engineers' International Association, EAL Chapter, a labor organization.

In due course the President appointed the following as members of the Emergency Board: Theodore W. Kheel of New York City, Chairman; Paul N. Guthrie of Chapel Hill, N.C., Member; and Byron R. Abernethy of Lubbock, Tex., Member. The Board convened in Miami Springs, Fla., on March 26, 1962. Hearings were held on various dates between March 26 and April 13 in Miami Springs and New York City. During these hearings the parties were given full and adequate opportunity to present evidence and argument with respect to the dispute before the Board. The Company was represented in these hearings by W. Glen Harlan, William Bell, and Burton Zorn, counsel; J. O. Jarrard, vice president, industrial relations; and W. H. Whatley, director, labor relations, flight. The Association was represented by Herman Sternstein, counsel; Winfield M. Homer, economic adviser; Jack Robertson, president, EAL Chapter; O. N. Roberts, vice president, EAL Chapter; and H. L. Rush, Miami, chairman, EAL Chapter. The records of the proceedings consist of 1,739 pages of testimony, and 167 exhibits.

Since the creation of the Board, the President has on two occasions extended the time limit for reporting stated in the Executive order, the last extension being to May 1, 1962.

After the termination of the hearings the Board explored with the parties the possibility of a mediated settlement of the matters in dispute. While these efforts were not successful, they proved to be very helpful in further clarifying the issues before the Board.

II. BACKGROUND OF THE DISPUTE

The parties to this dispute are Eastern Air Lines, Inc., and the flight engineers in the service of Eastern Air Lines, Inc., represented by the Flight Engineers' International Association, EAL Chapter (AFL–CIO). The last collective bargaining agreement between the parties was executed December 31, 1958 and, except for certain retroactive features, was effective January 1, 1959. By its provisions, this agreement continued in full force and effect until April 1, 1960, and was automatically renewable thereafter from year to year unless either or both parties served notice at least 30 days prior to April 1 in any year of their desire to change the agreement.

On February 8, 1960, the Association, in accordance with the agreement and with section 6 of the Railway Labor Act, served notice on the Company of its desire to make certain changes in and additions to the agreement and its supplements, as of April 1, 1960. The Company, on February 12, 1960, served a like notice on the Association that it also desired to make certain changes in the agreement. On April 8, 1960, the parties exchanged their initial proposals. Collective-bargining conferences were held thereafter through July 8, 1960, on which date the Association advised that it was terminating negotiations and applying for mediation. The National Mediation Board was notified and thereafter mediation began. This continued until September 5, 1961, when the National Mediation Board notified the parties that it was terminating its services under the provisions of the Railway Labor Act. During this time, however, an interim agreement was reached on April 21, 1961, whereby the Company established certain "duty rigs" affecting hours of service and earnings of flight engineers.

Although the National Mediation Board terminated its mediation efforts, the parties continued negotiations until February 21, 1962, when the Association notified the Company that the services of Flight Engineers were to be withdrawn on or after 72 hours from the date of receipt by the Company of that notice. On February 22, 1962, the President issued Executive Order 11006 creating this Emergency Board No. 144.

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III. THE ISSUES

During the time negotiations were in progress on this dispute, the President's Commission on the Airlines Controversy created by the President on February 21, 1961 by Executive Order 10921, made its initial report on May 24, 1961, and its final report on October 17, 1961. In these reports the Commission made certain recommendations regarding the performance of the flight engineers' function on several airlines including Eastern and involving the interests of both the Flight Engineers' International Association and the Air Line Pilots Association.

On February 26, 1962 the parties to this dispute agreed upon a list of items on which they had been in negotiation, which were not to be presented to Emergency Board No. 144. On the same date, however, the Company advised the Union, in order to avoid further misunderstanding regarding that list, that:

Regardless of the listing, the Company intends that the Feinsinger recommendations be implemented upon signing of this agreement and necessary changes made in the basic agreement to conform the agreement to these recommendations.

In accordance with this notice, the Company has requested Emergency Board No. 144 to recommend implementation of the Feinsinger Commission recommendations.

After hearings had begun in this case, the parties further limited the issues to be presented to the Board. The Board's attention, insofar as its recommendations are concerned, therefore, is directed to the disputed issues which remain and which have been submitted to the Board by the parties. These involve the implementation of the Feinsinger Commission recommendations, wage adjustments, changes in hours of service, revisions in discipline and grievance procedure provisions, and a group of miscellaneous issues.

IV. DISCUSSION OF THE ISSUES

A. Recommendations of the President's Commission on the Airlines Controversy (Feinsinger Commission)

The Company proposes that the recommendations of the Feinsinger Commission be implemented upon the signing of a new agreement, and to this end has proposed certain changes in the basic agreement designed to conform that agreement to the recommendations of the Commission.

The Association has not challenged on their merits the specific contract changes proposed, but has opposed the Board's making any findings and recommendations at all concerning the recommendations of the Commission. It urges that the Commission's recommendations have never been made the subject matter of a section 6 notice as required by the Railway Labor Act; that the issues before the Feinsinger Commission are not before this Board and this Board should not attempt to resolve them for these parties; and that the question of representation rights is inextricably woven into the Feinsinger recommendations, but has not even been discussed before us, and is an area in which this Board has no right to make any determination.

Two questions are thus posed to the Board. The first is whether under all of the circumstances of the case the Board either has a right to or should make any findings and recommendations on this matter. The second arises only if the first is answered affirmatively. It is what the Board's recommendations should be.

Concerning the first of these questions, the union concedes that the Board is obligated to make an investigation of the facts of the dispute between these parties and to report thereon to the President; and that if in doing so it is convinced that it can help the parties reach an agreement on this matter it should make a recommendation on this issue also.

We are convinced that the implementation of the recommendations of the Feinsinger Commission is a critical part of this dispute, and calls for a recommendation by this Board. We emphasize in this connection, however, that in making such recommendations we are in no way reviewing, modifying or deciding any of the issues before the Feinsinger Commission. Unlike earlier Emergency Boards faced with this problem which were called upon to report before the Com-

mission had completed its work and made its final report, this Board has conducted its investigation, and is making its report more than 6 months after the Commission's final report and recommendations were released.

The issues before that Commission were carefully investigated over a period of many months. All parties concerned had their day in court before that Commision. The Commission's recommendations have long been a matter of record. Those recommendations have been accepted by both Eastern Air Lines and the Flight Engineers' International Association as a basis for settlement of this disputed issue. The only question before this Board therefore is whether the parties should now proceed to implement the recommendations of the Commission in the agreement which we hope they are about to execute. It is our firm conviction that the time has come to move forward with the implementation of those recommendations insofar as it is possible for these two parties acting alone to do so.

Thus, at this point the Company and the Association have both endorsed the recommendations of the Commission. This Board also endorses those recommendations. The Company has proposed certain modifications in the agreement for the purpose of implementing those recommendations. There has been no discussion before us as to whether these proposals do or do not in fact properly accomplish that purpose, and we make no finding that they do.

The Association's hesitancy in moving forward with the Feinsinger Commission recommendations, even though it has agreed to accept them, stems largely from its concern about taking any action which might prejudice its representative status and its ability, thereafter, properly to protect the status. In accepting these proposals, the Association will not, therefore, be agreeing to anything more in this respect than those proposals provide irrespective of whatever action ALPA evenutally takes. Moreover, to meet the Association's concern, the Company has proposed that, although it wishes to begin the pilot training recommended by the Commission immediately, such pilot training should not be a condition of employment for flight engineers until 30 days after execution of an agreement between the Company and the Air Line Pilots Association incorporating substantially the recommendations of the Commission. We think this reservation provides ample additional protection for the Association against the possibility that its acquiescence in moving to implement the Feinsinger Commission recommendations before they have been accepted by the pilots' organization will be construed in any way, shape, form or manner as having diluted the separate status of its class or craft.

The Company's proposal also provides that any dispute between the Company and the flight engineers as to whether the recommendations of the Commission have been substantially incorporated in an agreement with the Air Line Pilots Association may be submitted by either party to final and binding arbitration by a member of that Commission selected by consent of the parties or, in default of such consent by the National Mediation Board.

We approve of the resolution of such disputes by final and binding arbitration. But we recommend that the arbitrable question in this instance should be whether the recommendations of the Commission have been substantially incorporated in any such agreement with the Air Lines Pilots Association *in a manner consistent with the implementation of the Commission's recommendations incorporated in the agreement with the flight engineers.*

In keeping with our recommendations below on the disputed issue of the System Board of Adjustment, we also recommend that the Company's proposal here be modified to provide as an alternative, if there is no agreement on a member of the Commission, the same method of selecting the arbitrator as is adopted by the parties for choosing a neutral on the System Board of Adjustment.

With these modifications in the Company's proposals, both of which the Company has indicated are acceptable to it, we recommend adoption of the proposed implementation of the recommendations of the President's Commission on the Airlines Controversy (Feinsinger Commission).

B. General Wage Rates and Related Issues

The Association has proposed extensive changes in section III (rates of pay) of the agreement. The primary purpose of the proposed modifications of the section is to achieve a substantial increase in wages for the flight engineers. The Company has also made certain wage proposals which will be reviewed below.

1. Effective dates

An important matter which is associated with the wage issues in this case has to do with the effective date and duration of any wage adjustments the Board may recommend. The most recent agreement between these parties was due to expire on April 1, 1960. Shortly before that date, section 6 notices were served in which proposals for agreement changes were made. Since that time the parties have been attempting to reach agreement upon the terms of a successor agreement. In the proceeding before the Board the Association has taken the position that any wage increases recommended should be fully retroactive to April 1, 1960. As will be pointed out in more detail

below, the Company has conceded that there should be some retroactivity associated with any wage increases recommended but has opposed full retroactivity to the expiration date of the last contract.

In considering the wage issues, the Board is concerned with a past period of more than 2 years. It may be pointed out that the last general increase in wages for the flight engineers became effective as of September 1, 1958.

The Board must also consider what prospective contract period to recommend. The Association has asked the Board to recommend that the new agreement be reopenable upon 30 days notice pursuant to the terms of the Railway Labor Act, as amended. The Company has requested that the Board recommend a 2-year prospective term for the new agreement.

The Board has given extensive consideration to this question, particularly in view of the long period of time which has already elapsed in efforts to reach agreement on a new contract. While the Board is fully aware that there are difficulties associated with recommending wage adjustments for 2 years into the future, we nevertheless feel that there are compelling reasons to do so in this case. The relationships between these parties will be well served by a substantial period of stability free from the distractions of bargaining over the terms of a new agreement which has consumed so much of their time and energy during the last 2 years. There are, moreover, a number of important matters pending, perhaps the most important being the crew complement issue on turbojet aircraft, which can best be dealt with where there is a period of stability with respect to other aspects of their relationship. The proposal of the Association on this matter would make it possible to reopen the agreement upon 30 days notice with the result that there would likely be a continuation of bargaining negotiations and contract uncertainty to disturb the relationships of the parties. In view of these considerations, the Board will recommend that the new agreement run to April 1, 1964.

This conclusion means that the Board is dealing with possible wage adjustments over a total period of 4 years: 2 years retroactively to April 1, 1960 and 2 years prospectively to April 1, 1964. Since the Company in its presentation placed great emphasis upon the relationship between the flight engineers and the agreement negotiated with the Air Line Pilots Association affecting the captains while the Association stressed the larger increases given the copilots, it is worth noting that the Company concluded that agreement with ALPA for the period April 1, 1960 to June 1, 1962. This agreement granted the captains' increase amounting to 10.82 percent over the life of the agreement and gave the copilots a substantially larger increase bringing

their rates to a maximum of 65 percent of the captains' rates. This pilots' agreement is also now open for negotiations.

The Association's proposal for an increase in wages contains a series of detailed adjustments in the major pay factors, base pay, hourly pay, gross-weight pay, and mileage pay. The objective of most of the proposed changes in the pay factors is to insure a substantial increase in total pay yield for the flight engineers. There is no contention that the pay factors as such contain inherent deficiencies which call for adjustment. Therefore, the Board will be concerned primarily with the overall wage adjustments and leave to the parties the manipulation of the pay factors to produce the contemplated yields. In order to accomplish this objective the Board will recommend top yields for the flight engineers on each class of aircraft. This is in accordance with the suggestions made to the Board by both the Company and the Association.

However, before doing this it is essential that brief attention be addressed to certain aspects of the pay factors involved in the wage structure. While we shall not recommend detailed adjustments within the pay factors, nevertheless, the parties have raised certain questions regarding these factors which call for recommendations and which we will discuss briefly.

2. Base pay

The Association has requested that the base pay factor in the wage structure be adjusted so as to permit the flight engineer to go on to an increment pay arrangement in the 2d year rather than in the 3d year as is now done. This would mean that after the first year a flight engineer would receive the base pay specified, plus flying pay, whereas he is now on a flat-pay arrangement for 2 years and does not receive flying pay until the 3d year.

The Association contends that this would be a desirable change as there is no particular reason to hold the flight engineer on flat pay for 2 years. However, the Association admits that the predominating industry practice is to pay the flight engineer on a flat-salary basis for the first 2 years.

The Company opposes this proposal on the ground that the present practice is in accord with industry practice and consistent with Eastern's agreement with the pilots.

The Board has been given no convincing reasons for the change sought by the Association. Both industry practice, and Eastern's agreement with the pilots on this matter dictate a continuation of the present practice in the absence of compelling reasons to change.

The Association proposes another change in the base pay provision of section III. At present top base pay is reached in the 9th year.

The Association proposes that the top base pay be reached in the 10th year, thus adding an additional step to the progression.

The Board was not given any compelling reason for such a change. On the contrary the top longevity pay rate for pilots is reached in the 9th year. In the view of the Board the 9th year should be continued for flight engineers as the point at which the top base or longevity rate is reached.

3. Longevity vs. base pay

There is another significant proposal with respect to the pay factors which is before the Board. The Company has proposed that section III–A–1 be changed from a system of base pay to a longevity pay system with the top longevity rate being reached in the 9th year.

The Company contends that the proposed longevity system has certain advantages over the base pay system. For one thing, full service pay would not be paid unless the flight engineer should fly a full month. In addition, accounting procedures would be simplified making it possible to make full payment for the month with a single check. The Company contends also that the proposed system would be to the advantage of the flight engineer in that he would receive full longevity pay when he flies a full month, whereas under the present base pay system he may lose part of his base pay if he is unavailable for flying one or more days.

The Association opposes this suggested change mainly on the ground that it would adversely affect the flight engineer's earnings at or near the guarantee levels.

It is apparent from the evidence before the Board that there has been a trend in recent years among air carriers to replace the base pay system with a longevity arrangement such as the Company is proposing here. This has been true for both pilots and flight engineers. For example, the flight engineers on American, Pan American, and United appear to have longevity systems. On several of the trunk carriers the pilots have established longevity arrangements. It is of special significance that Eastern and the pilots have agreed upon a longevity system to replace the former base pay plan.

Under all the circumstances, the Board recommends that the base-pay provision in section III be changed to the longevity system advocated by the Company. If there is a special problem with respect to those flight engineers at or near the guarantee level, the parties may bargain any corrective provisions which they deem necessary to deal with the problem.

4. Mileage pay

Both parties have suggested some modification of the mileage pay factor in section III. The present arrangement dealing with mileage

pay specifies that three-quarter cent be paid for each mile flown up to 17,000 miles; 1 cent for each mile flown between 17,000 and 22,000 and 1½ cents for each mile flown in excess of 22,000 miles. Both parties are in agreement that this graduated system should be replaced by a flat rate for all miles flown. The Company suggests that the rate be 1.1 cents for all miles flown, whereas the Association asks that 1.5 cents be paid for each mile flown. The particular amount paid can be worked out by the parties in relation to the manner in which they adjust the various pay factors to produce the desired yield. The Board recommends that the proposed change to a constant rate for all miles flown be adopted, and that the parties determine the exact amount of the rate as part of their readjustment of the details of the pay factors.

5. Gross weight pay

The parties are in agreement that a similar change should be made in the gross-weight pay factor; that a constant rate per 1,000 pounds of the maximum certified gross weight of the aircraft for each hour flown should be established. The Board recommends that this change on which the parties have tentatively agreed be adopted.

6. Wage rates

We now address ourselves to the matter of possible wage increases to be recommended. The overall wage increase which would result from the proposals of the Association would range from about 22 percent to 34 percent in the yields for 9th-year flight engineers. The actual percentage varies according to the different classes of equipment involved. The Association takes the position that such increases are fully justified in view of the long period of time since the last wage adjustment. In reaching this conclusion the Association relies mainly upon changes in the cost of living and increases in productivity since the presently effective wage scale was negotiated. In addition, the Association cites the increases given the copilots when the last settlement with ALPA was negotiated. It is argued that it is much more appropriate to compare the flight engineer scale with the copilot scale than with the captain scale. It is contended that historically on this property there has been a close relationship between the wage scale of the copilots and that of the flight engineers. Therefore, unless flight engineer pay is brought back into a close relationship with the copilots, a serious "intra-plant" inequity will exist. In support of its position, the Association also cites the existing pay scale for flight engineers on National Airlines, one of Eastern's major competitors.

The Company concedes that there should be some increase in wages for the flight engineers. Therefore, the Company has proposed in-

creases of the same percentage magnitude as those given the captains in the last pilot negotiations. This would mean an increase in top yields for the flight engineers of about 10.82 percent. It is the view of the company that the captain is the keyman in the cockpit and that it is logical and proper to relate the flight engineer pay scale to that for the captain. This is far more appropriate, the Company argues, than to make the comparison with the copilots the primary one. On the contrary, the Company contends that it would be particularly inappropriate to rely upon the copilot scale in this case, since in the last negotiations with ALPA, an increase for copilots much larger than that given the captains was agreed to in order to correct an "inter-plant" inequity which had developed over the years with respect to the copilots on Eastern. The Company states that there was no similar "inter-plant" inequity with respect to Eastern's scale for flight engineers and the pay schedules for flight engineers on other airlines.

The Company contends also that it would be improper to use the flight engineer rates on National Airlines as a standard for setting rates on Eastern. For one thing, there were certain special circumstances which caused National to agree to the rates for flight engineers now in effect. Furthermore, the Company states, Eastern provides various benefits of substantial money value over and beyond the regular wage payments, which extra benefits National does not provide for its flight engineers. The Company cites the expensive "duty rig" arrangement on Eastern which National does not have. Also, National was not required in the cited settlement with the flight engineers to make any retroactive wage payments. Perhaps most important, in the view of Eastern, is the fact that National was able to operate turbojets with a cockpit crew of three instead of four. In addition Eastern states that its payments into the retirement plan for the flight engineers are much greater than such payments made by National. The Company argues that National, in effect, bought all of these benefits with the high-wage scale which was agreed to for its Flight Engineers. Therefore, Eastern takes the position that all of these things should be considered when its wage scale for flight engineers is compared with the National scale.

While the Company concedes that the last general increase in wages for the flight engineers resulted from the 1958 negotiations, it nevertheless contends the flight engineers during the period since that time have received substantial increases due to the normal operation of the wage structure, through longevity and transfers to higher rated equipment. Furthermore, the present "duty rig" arrangement agreed to by the parties effective in May 1961, has resulted in in-

creased wage payments of approximately $839,000 which in itself, constitutes a significant increase to the flight engineers.

On the basis of these considerations the Company takes the position that its proposal for wage increases, which it offered in the present form for the first time during the hearings before this Board, is a generous one, and one which would do full equity to the flight engineers.

As was indicated above, the Board is concerned with making recommendations for a retroactive period of 2 years, from April 1, 1960 to April 1, 1962, and in addition for a prospective period of 2 years, from April 1, 1962, to April 1, 1964.

The Board has given extended consideration to the matter of retroactive pay for the period between April 1, 1960 and April 1, 1962. Under all the circumstances, it is appropriate that some of the recommended pay increase be made retroactive to April 1, 1960. In the Board's opinion the most satisfactory way in which to provide this is to apply the appropriate percentage of increase to the gross earnings of the flight engineers for the specified period. This simplifies the calculation of back wages due, and will do equity to the flight engineers involved.

The Association has asked that any wage adjustments recommended should be made fully retroactive to April 1, 1960. The Company concedes that some retroactive payments should be made. In view of the Company, a 5-percent increase effective for the period from April 1, 1960, to the date of the signing of the agreement would be appropriate. In support of this figure it cites the fact that both Pan American and Northwest have used the 5-percent standard for retroactive payments for their flight engineers during approximately the same period. In addition, it would deny full retroactivity because of the blame it places on the Association for the delay in concluding a new contract, and also, because of an allegedly illegal work stoppage the flight engineers conducted during the period. We do not believe, however, that we are in any position to assess blame in this matter in such a way as to penalize the flight engineers on retroactive wage payments. Furthermore, when the strike ended there was an understanding that there would be no penalties and that the principal matter at issue would be referred to the Feinsinger Commission.

After full consideration, the Board recommends that for the period April 1, 1960 to April 1, 1962, each flight engineer be paid an amount of money equal to 10.82 percent of his gross earnings over the period, this to be calculated and applied in stages consistent with the manner in which the same total percentage of increase was applied

for the captains following the last negotiations with ALPA. Thus, a total increase of 10.82 percent to be applied according to the time schedule indicated above, is recommended.

This recommendation applies the same percentages of increase to flight engineers' rates as the Company agreed to for the captains over the same period. It is the belief of the Board that this recommendation will do justice to the flight engineers' claims for retroactive adjustments.

The Board also has before it the matter of possible wage adjustments for the period from April 1, 1962 to April 1, 1964. For this period we will recommend as the parties suggested a maximum yield for the flight engineer on each class of aircraft to which flight engineers are assigned. In reaching these recommendations, the Board has considered the relationship between flight engineer rates and the rates paid captains and copilots on Eastern. We believe it is a valid standard to compare rates with those paid the captains. However, in view of the historic relationship between the rates of pay for flight engineers and the copilots we must give some consideration to this comparison also. We do not find the same "interplant" inequity for the flight engineers as the Company corrected for the copilots at the time of the last pilot negotiations. However, we cannot be unmindful of the fact that the flight engineer works side-by-side with the copilot in the same cockpit on the same aircraft, and that there has been some historic relationship between their rates.

In making its recommendations the Board must be careful not to distort the existing wage structure or to create inequities, where long experience has established wage-rate relationships for different classes of work. There appears to be validity to the Company's claim that the last negotiation with the pilots sought to correct an inequity for the copilots. Therefore, the amount of increase was substantially higher for the copilots than for the captains. Under such circumstances, we do not believe it would be proper for the Board to look only at copilot rates and to disregard a comparison between captains, rates and the rates for flight engineers. While we have given some weight to the copilot rates we have relied primarily upon the relationship between the captains' rates and the flight engineers' rates.

The Board has not been unmindful of the rates paid flight engineers on National Airlines. However, we believe in using the National rates for comparison purposes we must take into account that Eastern provides considerable pay in "duty rig" payments and in retirement arrangements, which National does not have in the same form.

In projecting recommended wage adjustments over the period from April 1, 1962 to April 1, 1964, the Board has taken into account possible cost-of-living considerations, increases in productivity, and possible increases which may be negotiated for other groups of employees before April 1, 1964.

In view of these various cited considerations, the Board recommends that the parties negotiate such an arrangement of pertinent pay factors as will provide the following top yields for 9th-year flight engineers on the various classes of equipment to be effective as of April 1, 1962, at the level of 85 hours, half-day, half-night.

DC–6B	$1,150.84
L–1049	1,155.23
L–1049C	1,188.05
L–1049G	1,189.80
DC–7B	1,247.59
Electra	1,304.93
DC–8	1,555.33
B–720	1,515.49

These recommended top yields amount to an increase of approximately 3 percent over the contemplated top rates for the various classes of equipment in effect on April 1, 1962, on the basis of the Board's recommendation for the period between April 1, 1960 and April 1, 1962.

The Board recommends further that on April 1, 1963, the rates be increased another 3 percent for the top yield on each class of equipment to which flight engineers are assigned. On this basis the parties can calculate the various other rates in the scale.

In the view of the Board these recommended adjustments will meet the respective equities of the parties, and will provide a 2-year period of stability in their relationship.

7. Student flight engineer pay

The Association has proposed a change in section III, subsection B of the agreement concerning pay for student flight engineers. The subsection in the prior contract reads:

Student flight engineer pay. Men in training as student flight engineers shall be paid at the rate of $350.00 per month.

The Association proposes that the pay specified be increased to $425.00 per month.

The Association has presented no supporting evidence on this matter. However, the equities of the situation, in view of our recommendations regarding wages, lead us to recommend some pay adjustments for student flight engineers. Otherwise, there is created something of an "intra-plant" inequity. We realize that there are real distinc-

tions between student flight engineers and regular checked-out engineers who are in the regular service of the Company.

In consideration of all the factors involved, the Board believes it is appropriate to recommend an increase of 10 percent in the pay for student flight engineers, thus bringing the rate to $385.00 per month.

Recommendation

The Board recommends that the rate of pay for student flight engineers be increased to $385.00 per month.

8. Foreign and overseas pay

The most recent agreement between the parties provides in section III, subsection F, for a special payment to flight engineers who fly in the Company's "Foreign and Overseas Operation." This provision reads:

Flight engineers assigned to the Company's "Foreign and Overseas Operation" shall be paid, in addition to other rates of compensation, one dollar and thirty cents ($1.30) for each hour flown in such operation, whether day or night flying.

The Association has requested that the amount payable under this provision be increased to $2.00 per hour.

This request relates to Eastern's flights to Puerto Rico, Bermuda, and Mexico. The Company contends that there is no justifiable basis for increasing this rate to $2.00 per hour. However, the Company has offered to increase the rate to $1.75 per hour which is the amount now paid Eastern copilots for these flights under a similar provision.

The record shows that if this rate is increased to $1.75 it will be the highest for the industry insofar as we have information, except for Braniff, which also pays $1.75.

The Board believes that this offer by the Company is quite adequate as an increase in this item. We are shown no justification for any increase beyond the one offered by the Company.

Recommendation

The Board recommends that the rate for "Foreign and Overseas Operation" specified in section III, subsection F, be increased to $1.75 per hour as offered by the Company.

9. "Off-Shore Operation" pay proposals

This issue is concerned with certain proposals made by the parties with respect to section III, subsection G, of the agreement. This provision as it appears in the 1960 agreement reads:

Flight engineers assigned to the Company's "Off-Shore Operation" shall be paid, in addition to other rates of compensation, fifty-five cents (55¢) for each hour credited in such operation, whether day or night flying.

In the instant proceeding the Association asks that the amount of payment specified in the section be increased to $1.00 per hour. On the other hand the Company asks that the section be deleted, and that the special payment previously provided be discontinued in the future.

The Association contends that the rate should be increased in keeping with the changes in wage payments generally. The Company contends, on the other hand, that this provision should be removed from the contract. It is pointed out that Eastern is the only airline which has such a pay provision; that none of Eastern's competitors have an "Off-Shore Operation" pay arrangement. Furthermore, Eastern contends that changes in equipment used in such operations have removed any necessity there may have been for such an arrangement.

As indicated in the above comments, both parties have made proposals with respect to this matter. The Association asks that the special pay be increased from 55 cents to $1.00 per hour. The Board finds no justification for such an increase. There is no showing that the flying involved has become more difficult in this respect, or that any changed circumstances dictate such an increase. Neither is there any showing from industry practice generally which would support the proposed increase.

The Company has not convinced us that the provision should be eliminated from the agreement. It appears that this provision was not eliminated from the last pilots' agreement although the Company is proposing to eliminate it from the pilots' agreement now open for changes through negotiation. Whatever reasons may have existed for its inclusion in the agreement with the flight engineers, originally, it is an arrangement which the parties by collective bargaining chose to put into the agreement.

Under all the circumstances, the Board believes that the arrangement should be continued in its present form.

Recommendation

The Board recommends that both the proposal of the Association and that of the Company with respect to changes in section III, subsection G of the agreement be withdrawn, and that the arrangement set out in that subsection in the 1960 agreement be continued.

10. Rates of pay on new equipment

The Company has proposed that if, during the life of the collective-bargaining agreement, it utilizes an aircraft requiring flight engineers for which no rates of pay are set forth in the agreement, the flight engineers shall accept assignment to train on and fly such aircraft while the rates of pay are being negotiated with the understanding that the rates finally agreed upon shall be fully retroactive.

Absent such agreement, it is possible that the introduction of new equipment may be delayed until the parties have been able to reach an agreement. The Company notes in addition that recent difficulties encountered with the Convair 990 have shown that the manufacturers' predictions about performance of aircraft still on the drawing boards may or may not be finally realized. It feels, therefore, that any attempt to reach an agreement on rates, for example, on the B–727 at this time would be "foolhardy."

The Association opposes this provision arguing that the parties should be required to reach an agreement on rates of pay before any new equipment is used.

The problem involved in establishing rates of pay for new equipment underscores the wisdom of having terminal arbitration procedures for the resolution of disputes of this type, as we discuss in section D below. As a practical matter, if the equipment cannot be introduced until an agreement is reached, obviously the Association is in a better bargaining position to get disproportionately higher rates. Conversely, if the equipment can be put into use without an agreement on the rates of pay, the Company is in a superior bargaining position. But if the final establishment of the rates is subject to arbitration, the bargaining position of the parties is neither helped nor hindered by whether the equipment is utilized before or after the rates of pay are finally established. Hence the new equipment can be put into use without any delay. It is with this thought in mind that the Company was asked during the hearing if it would agree to arbitrate the rates of pay on new equipment if, prior to its introduction, the parties were unable to reach an agreement. The Company replied in the affirmative.

It is, of course, also important fully to protect the rights of the flight engineers to the rate of pay finally established retroactive to the date on which the new equipment is introduced. The Association seemed to suggest in this connection that there might be a tendency either for the company to seek, or an arbitrator to award some modification of the retroactive application of the rates finally established, especially if a long period of time elapsed before the rates were fixed. If this should happen, it would indeed be an injustice.

We believe therefore and recommend that the collective-bargaining agreement should provide that the parties should attempt, through collective bargaining, to fix rates of pay prior to the introduction of new equipment but that if no rates are agreed upon, the equipment can nevertheless be utilized with the firm and fixed understanding that the rates finally established shall be fully retroactive without any

modification or reduction whatsoever through agreement or arbitration to the date on which the equipment was first introduced.

It is also our recommendation that the agreement provide that disputes over the establishment of the appropriate rates for new equipment which cannot otherwise be resolved by the parties shall be submitted to arbitration in accordance with the procedures of the agreement pertaining to grievance disputes referrable to the Board of Adjustment, as discussed in section D below.

11. Substitution of equipment pay

The Association proposes the addition of a new paragraph to section III of the agreement (wages), providing that in the event equipment is substituted on a run and the assigned flight engineer is not qualified or not required on the substitute equipment, resulting in a loss of pay to the flight engineer, the flight engineer will be paid for the trip as if he had flown it on the equipment scheduled. Under rules now prevailing, if equipment is substituted for that scheduled on a trip, the flight engineer is paid only if he flies the substituted equipment.

The Association contends that this provision is necessitated by the new bidding procedure already agreed upon whereby flight engineers may bid on only one type of equipment once every 6 months. It argues that since one loses his qualifications on equipment which he does not fly at least 50 hours each 6 months, the new bidding procedure will result in employees losing their qualifications on all equipment except that bid, and therefore being disqualified from flying the substitute equipment.

The Company opposes the Association's proposal, urging instead that the issue be settled by adoption of contract language similar to that agreed to with the pilots association in 1960, as follows:

> When a flight engineer is awarded or assigned a trip bid and equipment other than the equipment bulletined is substituted on a trip or trips on that bid and he flies such trip or trips, he shall in no case be paid less than the rate applicable on the equipment specified on the trip bid for the actual or scheduled flight time, whichever is greater, applicable to the equipment flown.

The substitution of equipment is one of the normal hazards of employment in this industry. We think the Company's proposal provides a reasonable method of meeting that hazard since, with the possible exception of a trip at the end of a quarter, flight engineers who lose a trip because of a substitution of equipment have an opportunity to make up the lost trip. Under the Company's proposal, they are assured that they will lose no pay if they fly the substitute equipment. Finally, the monthly pay guarantee limits possible losses to

employees from this and other normal risks to employment in this industry.

Recommendation

We therefore recommend withdrawal of the Association's proposal and adoption of the Company's proposal.

12. Deadhead pay

Under the agreement currently in effect, flight engineers with more than 2 years of service who deadhead at Company request on a flight or part thereof to or from protecting any flight are credited with such deadhead time for both pay and flight-limitation purposes at the rate of one-half hour flight-pay credit for each hour of such deadhead time based on the equipment used on the flight protected.

The Association has proposed a modification of the agreement to provide that a flight engineer so deadheading at Company request will be credited with such deadhead time for both pay and flight-limitation purposes at full pay (that is, 1 hour flight-pay credit for each hour of deadhead time) based on the equipment used on the flight protected.

The Company has proposed a modification of the current practice which would continue to credit the flight engineer with deadheading time for pay purposes at the rate of one-half flight-pay credit for each hour of deadhead time. Its proposal would further continue to give the flight engineer one-half flight-time-limitation credit for deadhead time when the flight engineer is scheduled to deadhead on the bid sheet and does such deadheading to or from protecting any flight. It would not credit the flight-time-limitation purposes any time spend deadheading where such deadheading is not scheduled on the bid sheet.

The evidence before the Board indicates that there are no agreements in the domestic trunk airlines industry which provide full deadhead pay as requested by the Association. One-half hour of flight pay for each hour of deadhead time is the universal practice among the domestic trunk airlines. The Air Line Pilots Agreement with Eastern contains the same deadhead pay provisions as those in effect for the flight engineers. We recommend that the Association's proposal be withdrawn.

The present practice of providing flight-time-limitation credit on the basis of one-half hour for each paid hour of deadhead time appears to be the dominant practice among the domestic trunk airlines. It is the practice in effect on Eastern Air Lines in its agreement with the Air Line Pilots Association. We do not think the evidence justifies the Company's proposal.

Recommendation

We recommend that both the Association's and the Company s proposals be withdrawn and that the deadhead provisions of the 1960 Agreement be continued in effect.

C. Hours of Service (Section IV)

1. General reduction

The Association has proposed a substantial reduction in hours for flight engineers flying on turboprop and turbojet aircraft. This proposal would be made a part of section IV. Such proposal is set out in two paragraphs suggested as additions to section IV. The first paragraph would become section IV, subsection A–2–a and would read as follows:

For each hour of flight time in the Lockheed L–188 airplane, flight engineers will be credited with an additional eight (8) minutes of flight time for flight-limitation purposes.

The companion proposal for turbojet aircraft designated as section IV, subsection A–2–b, reads as follows:

For each hour of flight time in the Douglas DC–8 airplane, flight engineers will be credited with an additional thirteen (13) minutes of flight time for flight-time-limitation purposes.

These proposals would have the effect of reducing hours for the purposes stated to 75 hours per month on turboprop aircraft and 70 hours per month for turbojet aircraft.

In making this proposal the Association contends that there are a number of factors which dictate such a reduction. For one thing, the overall hours a flight engineer is required to be on duty as compared with paid flight hours have greatly increased. This is reflected mainly in the relatively greater amount of ground time for which the flight engineer is not paid directly. It is contended also that with turboprop and turbojet equipment the flight engineer must fly more trips in order to make his monthly hours because of the much greater speed of the jet equipment as compared with piston aircraft.

The Association argues that service on jet aircraft results in greater fatigue for the flight engineer than service on piston equipment and that longer periods of rest are therefore required.

In addition, the Association stresses the long term trend in American industry with respect to reductions in the hours of work. It is argued that the flight engineers have a right to benefit from such reductions along with other workers.

The Company opposes this proposal by the Association. It contends that there is no justification for such a reduction; that the working conditions for flight engineers on jet aircraft are better than those to

be found on piston aircraft. It is pointed out that from the early days of the airline industry it has been taken for granted that the pay to flight personnel comprehended certain ground-time duties. The Company cites the fact that flight engineers on jet equipment are able to spend more of their off-duty time at home than is generally the case with flight engineers on piston equipment. Furthermore, the flight engineer on jet equipment earns substantially higher rates of pay which, combined with the desirable working conditions on the jets, makes such an assignment a highly desirable one.

The question of a possible reduction in hours for flight personnel is not a new one. Neither has it arisen only since turboprop and turbojet aircraft were put into service. However, since the advent of the new jet aircraft it has become an issue in bargaining on a number of airlines. It has also been presented to a number of Presidential Emergency Boards, as well as to the President's Commission on the Airlines Controversy. For example, Presidential Emergency Boards Nos. 120, 135, and 136 have had the issue before them.

In each instance the Boards have recommended against a reduction in hours such as is sought by the Association in the instant proceeding. Likewise, the Feinsinger Commission has recommended against such a reduction for the purpose argued to the Commission.

On the record before us, the Board is not convinced that the evidence justifies a recommendation supporting the request of the Association. It is true that some research efforts are underway to study the matter of fatigue for flight crews on turbojet aircraft. However, at this stage the Board should not speculate with respect to the possible findings of such studies. The data now available is too incomplete to justify recommending a reduction in hours for reasons of excessive fatigue.

Neither are we convinced that other changes in working conditions on jet equipment have been such as to warrant a recommendation for a reduction in hours for flight engineers.

Recommendation

The Board recommends that the Association's proposal for a reduction in hours on turboprop and turbojet aircraft be withdrawn.

2. "Duty Rig"

The issue before the Board with respect to the "duty rig" arrangement has two parts. First, should the interim agreement on this matter, negotiated between the parties in April 1961, be made a part of the basic collective-bargaining agreement. Second, the Company has proposed certain changes in the interim agreement with respect to crediting "duty rig" hours for flight-time-limitation purposes.

The "duty rigs" provided in the interim agreement cited above include three types of duty credits, on-duty credit, away-from-base credit, and tour-of-duty credit. Prior to the negotiation of the interim agreement the parties had included certain "duty rigs" in the 1958 agreement. However, the interim agreement substantially expanded these in terms of the benefits which they provide for the flight engineers.

It is appropriate to point out that an agreement between the Company and ALPA contains arrangements very similar to the "duty rigs" provided in the interim agreement between the Company and FEIA.

With respect to the first part of this issue before the Board, there is no particular controversy. Both parties are agreeable to including the "duty rig" arrangements in the basic collective-bargaining agreement. Therefore, the Board will recommend that this be done.

The second part of the issue involves a substantial change in the "duty rigs" which is proposed by the Company. The Company contends that the operation of the "rigs" not only has substantially increased flight-pay costs, but has also had the effect of seriously limiting flight engineer utilization. It is to this latter problem that the Company's proposal on this matter is addressed. To meet this situation the Company proposes that the interim agreement be amended to provide that credit-pay hours be only credited for flight-time-limitation purposes to the extent they do not exceed scheduled credit hours on the trip. Thus the Company's suggested change would not affect the number of such hours for which the flight engineers would be paid, but would only give the Company greater flight engineer utilization possibilities.

The Company contends that this proposed modification would be to the advantage of both the flight engineers and the Company.

The Association opposes the Company's proposal, and wishes to continue the crediting arrangement now in effect as provided in the interim agreement.

The Board is not pursuaded that the proposed change submitted by the Company should be recommended. While there may be some utilization problems, there has only been a brief experience by the parties with the interim agreement. It is possible, moreover, that this problem will diminish as the Company moves in the direction of an all-jet fleet. The Board is aware that the Company has proposed to the pilots a similar change in the "duty rigs". However, as of now, the same arrangement applies to both pilots and flight engineers. Under all the circumstances, the Board will recommend that the Company withdraw this proposal.

Recommendation

The Board recommends that the interim agreement on "duty rigs" be incorporated in the basic collective-bargaining agreement. The Board further recommends that the Company's proposal to modify the crediting of "duty rig" hours be withdrawn.

3. Civil Air Regulations

The Association proposes to add to section IV of the agreement (hours of service); four new paragraphs which would have the effect of embodying in the agreement certain Civil Air Regulations governing required rest periods for flight engineers. The employees have asked that this be included in the agreement in order to maintain what they consider to be desirable standards in the event of a change in the regulations.

The Company opposes the incorporation of these regulations in the agreement in a form which makes them binding beyond a time when the regulations themselves may be changed. But it does propose that the Association's request be settled by including in the agreement this and other Civil Air Regulations governing rest periods "for reference purposes only" and "subject to revisions as the CAR's may be amended or changed."

In the opinion of the Board, no convincing need for incorporating these regulations in the agreement as permanently binding work rules has been shown. Accordingly, we recommend that the Association withdraw this proposal. We see no objection, however, to incorporating in the agreement any such regulations for reference purposes only and subject to revision as the regulations may be maintained or changed, as suggested by the Company.

Recommendation

We recommend adoption of the Company's proposal.

4. Briefing—debriefing

The 1958 agreement provided that on-duty time starts 1 hour prior to departure and ends at "in" time of the off-duty trip. This provision was amended by the 1961 interim agreement to provide that on-duty time ends 15 minutes after "in" time of the off-duty trip. The Association now proposes to extend the debriefing time to 30 minutes by having the agreement provide that daily on-duty time shall end 30 minutes after "in time" of the off-duty trip.

The Board has been provided with no convincing evidence supporting this request to increase further the debriefing period now in effect.

Recommendation

We recommend that this proposal of the Association be withdrawn.

D. Discipline and Grievance Procedure Issues

1. Probationary period

The 1958 agreement between the parties (section XVI) provides for a 12-month period of probation for newly hired flight engineers for purposes of discipline or discharge. The Association proposes the elimination of this probationary period. The Company proposes the extension of the present probationary period to the employee's initial 1,000 hours of flying or an aggregate of the first 15 months of active service. This is consistent with the probationary period provided for in the company's agreement with the Air Line Pilots Association.

No evidence has been provided the Board which indicates a need to modify the existing 12-month probationary period. We cannot agree with the Association that the training period, or prior employment of flight engineers as mechanics, provides an adequate period of probation. Neither do we see so intimate a correlation in this regard between pilots and flight engineers as to dictate the adoption of the same probationary period for both.

The Association has also proposed the addition of a new paragraph to section XVI providing that the Association will receive a copy of all notices of discipline or dismissal. While there was no evidence and practically no discussion in support of this proposal or in opposition to it, we consider this a reasonable request. We think it proper that the Association charged with the responsibility of representing employees in the bargaining unit should be advised of disciplinary action taken against employees in the unit.

Recommendation

We recommend withdrawal of both the Association's and the Company's proposals for modification of the present probationary period, and continuation of the probationary period found in the last agreement between Eastern Air Lines and Flight Engineers' International Association.

We further recommend adoption of the Association's proposal that it receive a copy of all notices of discipline or dismissal.

2. System Board of Adjustment and No-Strike Clause

The Association has proposed a modification of subdivision L of section XXVII of the previous collective-bargaining agreement pertaining to the designation of a neutral member of the System Board of Adjustment to break deadlocks between the members of the Board named by the Association and those named by the Company in disputes referred to the Board involving the interpretation or application of the agreement.

Under the collective-bargaining agreement last negotiated, the Company and Association members of the Board are given the opportunity, in the event of a deadlock, to select a fifth or neutral member or, if they are unable to agree, to request the National Mediation Board to name a referee. The Association would provide in the new agreement that if, after the lapse of specified periods of time, the Company and Association members of the Board are unable to resolve a dispute properly submitted to them, "the Board shall have no further jurisdiction in that case."

In conjunction with the elimination of terminal procedures for the resolution of grievance disputes involving the interpretation and application of the collective-bargaining agreement, the Association would also eliminate the related portions of the agreement providing that the Company will not "lock out" and the Association will not "cause, call or sanction any strike or sit-down or slow-down over any dispute or disputes within the jurisdiction of the System Board of Adjustment."

In support of its contention that the agreement should not provide for the appointment of a neutral member, the Association argues that the cost and length of time involved in disputes coming before the Board of Adjustment make the terminal procedures burdensome. It reasons that if there were no mandatory provisions for settlement of such disputes through final and binding arbitration with the possibility of a lockout or strike as an alternative, the parties would more quickly and frequently settle grievance disputes. The Association also notes that the agreement between the Company and the Air Line Pilots Association contains no terminal procedures for resolving grievance disputes and likewise contains no prohibition against lockouts or strikes. It points out that this agreement has not posed any problem because of the absence of terminal arbitration and a ban on lockouts or strikes.

The Company acknowledged that it has not had any special difficulties with the pilots' agreement in this respect. On the other hand, the record in this case contains no specific evidence regarding the number of disputes that have arisen in the past or the extent of the difficulties of the Company and the Association in bringing these disputes to a conclusion.

The Company also asserted that it is seeking in the current negotiations with the pilots' association to provide for terminal procedures with a ban on lockouts and strikes. It also maintained that while, in accordance with its interpretation of the decision of the United States Supreme Court in *Brotherhood of Railway Trainmen* v. *Chicago River and Indiana Railroad Company*, 353 U.S. 36, it did not believe

that a no-strike clause added any additional restraints on the Association not already imposed by law, the contract should nevertheless ban lockouts and strikes since there might otherwise be the misleading implication for the employees that they were not prohibited. The Association, incidentally, denied that the Supreme Court had prohibited strikes over grievance disputes in the *Chicago River* case.

In urging continuation of terminal procedures through the designation of a neutral fifth member of the Board of Adjustment, the Company offered to amend the provisions in the contract last negotiated between the parties to provide a different method of selecting the neutral member. Specifically, the Company suggested that the American Arbitration Association name a panel of nine names from which the Company and the Association could alternately strike one name each until only one name remained.

Whether or not the law bans strikes and lockouts during the term of the contract, we believe that it would be unwise to remove these restrictions since that might create the implication that strikes or lockouts could take place during the term of a collective-bargaining agreement. This would be especially unfortunate in the case of an important transportation system on which the public so vitally depends.

The use of arbitration to settle grievance type of disputes involving the application and interpretation of a collective-bargaining contract, conjoined with a ban on strikes and lockouts, has become such an accepted part of the fabric of industrial relations of the United States that it is the rare exception where they are not included in the contract. Nor is there any serious move afoot to alter this development.

It is true, of course, that there is sometimes a tendency on the part of companies and unions to avoid the responsibility of settling grievances in collective bargaining because they have available to them the procedures of arbitration for the final resolution of these disputes. This is unfortunate and steps should be taken, wherever it exists, to have it eliminated. But we do not believe the solution is to throw the baby out with the bath. If the Board of Adjustment procedures of the parties in this case have become excessively protracted and costly, there are ways and means the parties can pursue to reduce the time as well as the cost. If the parties are dissatisfied with the present system for the selection of the neutral member, there are alternate procedures which can be adopted. The Company has suggested the use of the American Arbitration Association. There are other possibilities which obviously would be acceptable.

Recommendation

We believe that it would be a mistake to eliminate the terminal procedures and the ban on strikes and lockouts. We believe and recommend that the parties continue with a provision for the final resolution of grievance disputes with such modifications as may be devised to shorten these procedures, reduce the costs and facilitate the selection of a mutually acceptable neutral member.

We also believe and recommend that the ban on lockouts and strikes contained in the agreement last negotiated between the parties should remain without change.

We recommend that the Association's proposal be withdrawn.

E. Miscellaneous Issues

1. Sick leave

Prior agreements between Eastern Air Lines and the Flight Engineers' International Association have never contained an agreed-upon sick leave benefit plan, and sick leave has been provided for flight engineers by the Company on an individual basis. On this basis there has been no standard plan for accruing sick leave, and no maximum bank of a sick leave period. The Company followed a policy of keeping flight engineers on sick leave on their guarantee pay. The period of time they could continue to draw this sick leave pay was left to the discretion of each individual manager. This is the plan followed for the Company's unorganized employees and is the same plan that was followed for the pilots before the sick leave plan was incorporated in the pilots agreement of 1953.

Both parties now agree that a formal agreement on sick leave should be entered into. They are in disagreement, however, as to certain provisions of such an agreement. Each has proposed a sick leave plan for adoption. The Company has proposed adoption of the plan agreed to with the pilots in 1953 and continued in effect since that time with an increase in the maximum sick leave credit which may be accumulated.

While there are other differences in the plans proposed by the Association and the Company, respectively, dispute centers principally around three items: The rate of accrual of sick leave credit, the maximum bank of sick leave credit which may be accrued, and the amount of pay which a flight engineer may receive while on sick leave.

Whereas the Association proposes that flight engineers accrue sick leave credit at the rate of 1½ days for each month of active service to a maximum of 150 days, the Company proposes that they accrue such sick leave credit at the rate of 1¼ days for each month of active service to a maximum of 120 days.

Concerning the amount of sick leave pay, the Association has proposed that when a flight engineer is on sick leave he shall be paid a daily sick leave rate computed by dividing his total earnings during the three previous months by the number of days he was available for duty exclusive of leaves of absence, vacation, and ground school. It would place no limitation on the amount of sick leave pay he could receive during a month.

The Company proposes that a flight engineer on sick leave be paid, in addition to base pay, one-nineteenth of his last three complete calendar months flight pay for each day off sick to the extent of his accrued sick leave. It further proposes that a flight engineer be eligible for such sick leave pay only during a month in which his flying pay does not exceed his minimum monthly guarantee; that payment for sick leave and flying pay combined not exceed his minimum monthly guarantee; and that a flight engineer not be eligible for sick leave pay during a month in which his flying pay exceeds his minimum monthly guarantee.

The evidence before the Board as to practices in other domestic trunk airlines submitted by the Association is from "selected" agreements in support of the Association's proposal, and admittedly is neither comprehensive nor necessarily representative. That evidence, however, indicates clearly that the Company's proposals relative to both the rate of accrual of sick leave credit and the maximum amount of such credit which may be accrued, is more liberal than is generally found in the industry.

The Company's proposal concerning the amount of pay which a flight engineer may receive while on sick leave also is not unreasonable in our opinion. This includes the proposal that a flight engineer shall be eligible to receive sick leave pay only to the extent that his sick leave pay and flying pay combined do not exceed his minimum monthly guarantee. We note in this connection that if our recommendation concerning the proposed freeze agreement is adopted, flight engineers awarded trip bid positions or reserve bid positions on DC–8 and Boeing 720 aircraft will be guaranteed 75 hours flying pay. The Associations' proposal on the other hand, would enable an employee to receive sick leave pay in excess of his expected earnings on his bid schedule. We think some limitation along the line of that suggested by the Company is called for.

Recommendation

We recommend that the Association's proposal for a sick leave plan be withdrawn, and that the Company's proposal for a sick leave plan be adopted.

2. Training

The issues which remain between the parties concerning the training program for flight engineers involve three proposals of the Association. First, the Association proposes that no flight engineer training program be conducted by the Company except by mutual agreement between the Company and the Association. Second, it proposes that flight engineers shall not be required to take any instruction, training, proficiency checks, and/or qualification checks from any person other than a qualified flight engineer from the flight engineers' seniority list. Finally, it would prohibit the Company's scheduling flight engineer training between the hours of 2400 and 0600.

The Company opposes these proposals. It contends that there is no justification whatever for the proposal requiring that all instruction be by flight engineers from the flight engineers' seniority list, and asks the Board to recommend withdrawal of that proposal in its entirety. It does, however, recognize merit in the Association's desire to have a voice in making *recommendations* concerning the training program, without a power of veto. It also agrees that Eastern's flight engineers should not be required to take simulator training between the hours of 2400 and 0600 as a result of Eastern's equipment being used by other than Eastern personnel.

To these ends the Company has proposed that the unresolved issues be settled by provisions in the agreement which: (1) establish a training committee composed of two Company supervisory employees and two flight engineers appointed by the Association, to meet as required, review the overall training program, and make recommendations for modifications to the program; and (2) provide that a flight engineer will not be required to take simulator training between 0001 and 0600 as a result of Eastern Air Lines' equipment being used by other than Eastern Air Lines' personnel.

The Association's proposals would in our opinion impose upon the Company wholly unrealistic and intolerable conditions. They would give the Association the power of veto over programs which are not only legally, but which from all practical considerations must be, the primary responsibility of management. They would deny the Company access to the most competent instructional personnel if such persons did not happen to be on the flight engineers' seniority list. They would deny the Company the right to use its equipment and personnel for training purposes in the most efficient manner.

The Association has contended that its primary concern lies in the fact that the Company is permitting flight engineers only the minimum school time required by FAA while at the same time requiring qualifications substantially greater than that required by that Agency.

It insists that flight engineers should be allowed longer training periods. As for instructional staff and the giving of training between 2400 and 0600, there is no claim that the Company has heretofore abused its authority in any degree.

The Board is confident that voluntary cooperation beween the parties through the training committee proposed by the Company should lead to a satisfactory solution of any problems presently existing in, or subsequently arising out of the training program.

Recommendation

We recommend that the Association's proposals be withdrawn and the Company's proposal for settlement of the unresolved training issues be adopted.

3. Freeze agreements

The Company has proposed agreements in the form of letters of agreement which would obligate a flight engineer to fly on a piece of jet equipment (Douglas DC–8, or Boeing 720, as the case might be) for 1 year after becoming qualified on it or after having bid to fly it. The purposes of the proposal is to reduce the Company's training costs. The proposed agreements are similar to those which the Company has had with its pilots since 1958.

While the Association offered no evidence on this proposal, it did argue against it on the grounds that its subject matter is the new bidding system which has been tentatively agreed upon, and which the freeze agreements would extend from the agreed 6 months to 1 year.

The cost of training and checking out a flight engineer on the equipment in question is approximately $18,000.00. We consider the Company's request that this investment in training be protected by the flight engineer remaining on the equipment for which he was trained for at least one year, a reasonable request. Also, no evidence has been introduced to indicate that flight engineers should be treated differently than pilots in this matter.

Recommendation

We recommend adoption of the Company's proposal.

4. Separate flight engineer station

The Association has proposed that a new paragraph be added to section XIX of the agreement last negotiated providing that on all aircraft acquired and/or operated by the Company after April 1, 1960, requiring a flight engineer, there shall be "a separate flight engineer station with all necessary instruments and controls required to operate and maintain the powerplants and systems within their prescribed limits. The Company is opposed to such a provision.

We do not see any warrant for including such a provision in the collective-bargaining agreement.

Recommendation

We recommend that the Association's proposal be withdrawn.

5. Second flight engineer on jets

The Association has proposed that there be a provision requiring a second flight engineer on jet aircraft. The Company is opposed to this provision.

We do not see any warrant for including such a provision in the collective-bargaining agreement.

Recommendation

We recommend withdrawal of the Association's proposal.

6. Duration of the Agreement

The parties are in disagreement on the duration of the new agreement which is to be negotiated. This issue has been discussed at some length above. The Board is firmly convinced that the new agreement should extend far enough into the future to give a degree of stability to the relationships of the parties. We believe that in the interest of this objective a contract term of 2 years is appropriate.

Recommendation

The Board recommends that the new agreement between the parties run to April 1, 1964, and be subject to the usual reopening provisions at that time.

V. CONCLUSIONS

The Board believes that the foregoing recommendations provide a fair and equitable basis for resolving the dispute between the parties regarding the terms of a new collective-bargaining agreement. The parties are experienced in the technique and art of collective bargaining. We are confident that with imagination, ingenuity and an appreciation of the public interest they can and will meet their respective responsibilities in finding a basis for the final settlement of this controversy.

The Board is appreciative of the competent and thorough presentation of the issues to the Board by the representatives of the Company and the Association. We are pleased to express our appreciation for their cooperation at every stage of the proceeding.

In concluding the report of our investigation of this dispute, we want to emphasize once again the overriding public interest which dictates and early and effective settlement of the issues by the parties. The public has a right to expect that such a settlement will be made promptly without interruptions of service and with due regard to the maintenance of a stable and viable economy in the Nation. It is our belief that free collective bargaining offers the parties the challenge and opportunity to achieve this objective both in their own interest and in that of the general public. The constructive attitude of the parties during the hearing suggests to us that they will meet their responsibilities.

THEODORE W. KHEEL, *Chairman.*
PAUL N. GUTHRIE, *Member.*
BYRON R. ABERNETHY, *Member.*

Dated Washington, D.C., May 1, 1962.

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