Report

TO

THE PRESIDENT

BY THE

EMERGENCY BOARD

No. 166

APPOINTED BY EXECUTIVE ORDER 11276 DATED APRIL 21, 1966, PURSUANT TO SECTION 10 OF THE RAILWAY LABOR ACT, AS AMENDED

To investigate and report its findings to the President of unadjusted disputes between Eastern Air Lines, Inc., National Airlines, Inc., Northwest Airlines, Inc., Trans World Airlines, Inc., and United Air Lines, Inc., and certain of their employees represented by the International Association of Machinists, AFL–CIO, a labor organization.

(NMB Case No. A–7655)

WASHINGTON, D.C.

June 5, 1966

LETTER OF TRANSMITTAL

WASHINGTON, D.C., *June 5, 1966.*

DEAR MR. PRESIDENT,

The Emergency Board which you appointed by Executive Order 11276, pursuant to Section 10 of the Railway Labor Act as amended, has the honor to report herewith.

You charged this Board to investigate the labor dispute between five major airlines and the International Association of Machinists. We have done so. In the course of our inquiry we held hearings for 8 days to take testimony from these parties. Throughout our hearings the conduct of the parties was exemplary. Both Carriers and Union cooperated fully with the Board and with each other to provide us expeditiously an explanation of all issues in dispute. We acknowledge their cooperation gratefully.

During our hearings and subsequently in executive sessions we had unstinting service from an able staff. We take this opportunity to thank our counsel, John Bruff, and his staff associates, Beatrice Burgoon and Lily Mary David, for their contributions to our work during this period.

Your charge to us included the requirement that we report our findings to you. These are enclosed. They include our recommendations for a settlement of the dispute, on terms which we believe will serve the interests of the public and the parties alike.

Respectfully,

(S) Wayne Morse,
WAYNE MORSE, *Chairman.*

(S) David Ginsburg,
DAVID GINSBURG, *Member.*

(S) Richard E. Neustadt,
RICHARD E. NEUSTADT, *Member.*

THE PRESIDENT,
The White House.

EXECUTIVE ORDER NO. 11276

CREATING AN EMERGENCY BOARD TO INVESTIGATE DISPUTES BETWEEN THE CARRIERS REPRESENTED BY THE FIVE CARRIERS NEGOTIATING COMMITTEE AND CERTAIN OF THEIR EMPLOYEES

Whereas disputes exist between the air carriers represented by the Five Carriers Negotiating Committee, designated in List A, attached hereto and made a part hereof, and certain of their employees represented by the International Association of Machinists and Aerospace Workers, AFL–CIO, a labor organization; and

Whereas these disputes have not heretofore been adjusted under the provisions of the Railway Labor Act, as amended; and

Whereas these disputes, in the judgment of the National Mediation Board, threaten substantially to interrupt interstate commerce to a degree such as to deprive the country of essential transportation service:

Now, therefore, by virtue of the authority vested in me by Section 10 of the Railway Labor Act, as amended (45 U.S.C. 160), I hereby create a board of three members, to be appointed by me, to investigate these disputes. No member of the board shall be pecuniarily or otherwise interested in any organization of airline employees or in any air carrier.

The board shall report its findings to the President with respect to the disputes within 30 days from the date of this order.

As provided by Section 10 of the Railway Labor Act, as amended, from this date and for 30 days after the board has made its report to the President, no change, except by agreement, shall be made by the carriers represented by the Five Carriers Negotiating Committee, or by their employees, in the conditions out of which the disputes arose.

LYNDON B. JOHNSON.

THE WHITE HOUSE,
April 21, 1966.

List A:

East Air Lines, Inc.
National Airlines, Inc.
Northwest Airlines, Inc.
Trans World Airlines, Inc.
United Air Lines, Inc.

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I. HISTORY OF THE EMERGENCY BOARD

This Emergency Board, designated by the National Mediation Board as Emergency Board No. 166, was created by Executive Order 11276 of the President issued April 21, 1966, pursuant to Section 10, of the Railway Labor Act, as amended, to investigate and report its findings of unadjusted disputes between Eastern Air Lines, Inc., National Airlines, Inc., Northwest Airlines, Inc., Trans World Airlines, Inc., and United Air Lines, Inc., and certain of their employees represented by the International Association of Machinists and Aerospace Workers, AFL–CIO, a labor organization.

The President appointed the following as members of the Board: Wayne Morse, U.S. Senator from Oregon, Chairman; David Ginsburg, an Attorney from Washington, D.C., Member; and Richard E. Neustadt, Professor of Government at Harvard University, Member. The Board met for organizational purposes on April 26, 1966, in Washington, D.C. Public hearings were held for 8 days between May 6 and May 27 at Washington, D.C. During these hearings the parties to the dispute were given full and adequate opportunity to present evidence and argument before the Board. The Board also made itself available for any informal meetings requested by the parties; in the event, none was requested.

The parties to these proceedings were identified to the Board as follows: The International Association of Machinists and Aerospace Workers by

P. L. Siemiller, International President
Joseph W. Ramsey, General Vice President
Frank Heisler, Airlines Coordinator
Robert E. Stenzinger, Grand Lodge Representative
William Schenck, Grand Lodge Representative
Elton Barstad, General Chairman (Dist. 143)
John Burch, General Chairman (Dist. 145)
Julius B. Wilhelm, General Chairman (Dist. 100)
Fred Spencer, General Chairman (Dist. 142)
Robert T. Quick, General Chairman (Dist. 141)

The five Carriers by

William J. Curtin, Chairman, Five Carriers' Negotiating Committee, Morgan, Lewis & Bockius

Charles M. Mason, Sr., Vice President-Personnel, United Air Lines, Inc.

Paul Berthoud, Manager, Industrial Relations, United Air Lines, Inc.

J. M. Rosenthal, Vice President-Industrial Relations, National Airlines, Inc.

Robert A. Ebert, Vice-President-Personnel, Northwest Airlines, Inc.

Ralph H. Skinner, Jr., Vice President-Industrial Relations, Eastern Air Lines, Inc.

John P. Mead, Staff Vice President-Industrial Relations, Eastern Air Lines, Inc.

David J. Crombie, Vice-President-Industrial Relations, Trans World Airlines, Inc.

The record of the proceedings consists of 1,968 pages of testimony and exhibits and 9 separate appendices of exhibits primarily relating to local issues. During the proceedings, the Board made it clear to the parties that its report to the President would be based upon the record established by the parties to this dispute.

Since the creation of the Board, the parties by stipulation, approved by the President, have agreed to extend the time within which the Board must report its findings to the President until June 5, 1966.

II. BACKGROUND OF THE DISPUTE

The airline carriers in this dispute are 5 of the 11 domestic trunk airlines operating in the United States. They represent over 60 percent of the domestic trunkline industry as measured by passenger miles. The IAM represents 35,399 (March 1966) of their employees involved in this dispute. These employees are primarily employed in mechanic, ramp and store, flight kitchen, dining service, plant protection, and related classifications.

The Carriers and Union entered into an agreement dated August 9, 1965, establishing a procedure for joint negotiation of the dispute between the parties. This agreement provided that each Carrier and the Union should be limited to 15 proposals for changes in the existing agreements between each Carrier and the IAM, and that the following 8 items, which are identical to all Carriers, should be the subject of joint bargaining:

(a) Rates of pay and progression steps
(b) Vacation allowance
(c) Holiday provisions
(d) Health and welfare (insurance programs)
(e) Overtime rules
(f) Pension plans
(g) Hours of service
(h) License requirements and premiums

On October 1, 1965, the Carriers and the Union served upon each other the notices required by their August Agreement and by Section 6 of the Railway Labor Act. The Union chose to submit seven notices for each individual Carrier, and the eight items common to all Carriers. The Carriers served over 70 notices, all on local issues. The parties then enered into individual and joint negotiation on these notices. Negotiations proceeded for 2 months.

Thereafter, on January 11, 1966, the parties jointly applied to the National Mediation Board for mediation service. The case was docketed by the NMB and referred to Board Member Howard G. Gamser for handling. He began his efforts on February 1, 1966, and continued until March 10. His mediation led to the exchange of proposals and counterproposals, but the parties failed to reach a final agreement.

On March 18, 1966, the NMB proffered arbitration, which the Carriers accepted and the Union declined. Under the provisions of the Railway Labor Act, the NMB then formally terminated its services. However, on April 14 it made a final effort to mediate the dispute. This effort was unsuccessful and the Union set a strike deadline for 12:01 a.m., local time, April 23, 1966. The NMB then notified the President that in its judgment this dispute threatened to substantially interrupt interstate commerce so as to deprive the country of essential transportation service. The President promptly created this Emergency Board. The Union then withdrew its strike notice.

The August 9 agreement provided among other things that none of the parties should execute an agreement until all of the parties had reached agreement in final settlement of all issues.

III. THE ISSUES

The original notices required by Section 6 of the Railway Labor Act and by the August 9 Agreement included eight issues common to the Union and all Carriers. These are called "national issues." The notices also included over 100 other issues, each relating to an individual Carrier. These are called "local issues." None of the eight

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national issues was resolved by negotiation or mediation. Of the local issues, 40 remained unresolved at the time of our hearings. The Board took testimony and heard cross-examination on all 48 outstanding issues. Each has been subjected by the Board to careful inquiry.

IV. THE NATIONAL ISSUES: FINDINGS AND RECOMMENDATIONS

A. General Wage Rates and Related Issues

The Union has proposed substantial percentage increases in the rates of pay over a 3-year period beginning January 1, 1966, coupled with the elimination of all but one progression step and the introduction of a cost-of-living adjustment allowance. The Carriers have offered hourly rate increases in three groups of classifications over a 3-year period, have sought to justify all rate progression schedules now in effect and have rejected the concept of a cost-of-living adjustment allowance. In addition, instead of January 1, 1966, the Carriers would delay any pay increases until the pay period next commencing after the date upon which they receive written notice from the Union of the ratification of the new agreement.

1. Effective Date and Duration of the Contract

The most recent agreement between these parties was due to expire at midnight on December 31, 1965. During the last 5 months of 1965 the five Carriers and the Union established a procedure for joint negotiations of the disputes between the parties; identified and defined both national and local issues; served on each other the Section 6 notices required by the Railway Labor Act and began individual and joint negotiations. The bargaining progress thus begun continued throughout the first quarter of this year, with the services of the National Mediation Board, and although final agreements were not reached a large number of local issues were disposed of, and the remaining issues were sharpened and in some instances modified. Since August 1965, therefore, the parties have been seeking to resolve their differences and reach agreement for purposes of a successor contract.

The Board considers that the maintenance of close contact and communication between Union and Carriers and the utilization in good faith of the procedures of the Railway Labor Act and the services of the National Mediation Board furthers the interests both of the parties and the public and recommends, as in the 1963 settlement, retroactivity to the expiration date of the last settlement.

The Board must also consider how long the new contract should continue. The parties themselves have suggested a 3-year period. As a consequence of Section 10 of the Railway Labor Act, unless the parties otherwise agree, the provisions of the old agreement will have governed the rights of the parties through the first half of 1966. In these circumstances the Board recommends that the new agreement run prospectively for 3 years from July 1, 1966, so that the agreement will be effective for a period of 42 months, from January 1, 1966, through June 30, 1969.

2. SAFEGUARDING REAL WAGES

The Union is concerned that increases in the cost-of-living may erode the gains employees have made in real wages and has proposed an escalator clause as its preferred way of safeguarding those gains. The particular clause would provide that quarterly, throughout the term of the agreement, all hourly rates should be increased by 1 cent per hour for each 0.3 increase in the consumer price index (1957–1959 base).

The Carriers point to a trend away from the use of escalator clauses and oppose them on various grounds ranging from the added difficulties under such clauses of cost calculations to the added dangers of perpetuating a price-wage spiral.

The Board has given extensive consideration to this question. The trend away from escalator clauses is marked although increases in the cost-of-living have revived interest in them. In our view the danger they present to the economy in this case is real. In the past, moreover, many of these clauses have operated two ways so that when the cost-of-living goes up wages are increased, but when the cost-of-living turns down, wages are reduced. Here the Union has proposed a one-way clause.

Although we recommend against the use of an escalator clause we believe that the effort of the Union to devise a means to safeguard the economic position of the employees particularly in respect to the protection of their real wages is warranted. We therefore recommend that the Union be given the right to re-open the wage rate provisions of the contract if, by December 1967, the cost-of-living since December 1966 has increased [redacted] 1 percent or more over the average annual increase in the consumer price index during the 5-year period, 1962 through 1966. The re-opener right would be limited to the basic wage rates of the new agreement.

The Board wishes to stress that the basic wage re-opener right would be triggered only in case of a sharp or persistent increase in the consumer price index of not less than 1 percent over the average annual increase during the 5-year period from December 1961 through December 1966.

The procedure to be followed would be simple and completed within a maximum of 6 weeks.

On February 1, 1968, the Union, if it so decides, would serve on the Carrier its notice of intention to re-open the wage rate issue; the necessary statistical data regarding cost-of-living changes in December 1967 should be available to the Union about January 20. Thereafter, the parties would have 30 days within which to arrive at an agreement. If they cannot agree on wage adjustments the issue would be submitted to final and binding arbitration under procedures determined by the parties themselves. If the parties cannot agree on such procedures the Secretary of Labor shall determine them and, within 1 week after the 30-day period, submit to the parties a list of seven arbitrators from which the Union and the Carriers in joint conference shall each strike alternately two names. The remaining three arbitrators shall then determine the issue and make their award within 2 weeks.

In arriving at their decision the arbitrators shall consider, as did this Board, the public interest in the maintenance of a stable economy as well as increases in living costs and all other relevant factors including comparative wages, competitive conditions, labor shortages, ability to pay, job content, and overall and specific increases in productivity.

3. WAGE PROGRESSION SCHEDULES

The Union contends that progression schedules merely provide a means to permit the Carriers to pay less than the job rate; that lengthy progression steps for each classification are unnecessary because very little training is required and no additional responsibilities or duties are assumed at each step in the classification. The Union emphasizes that the number of progression steps has been reduced in past bargaining and that single rates have been achieved in lead classifications but that further reductions are needed.

The Carriers argue that progression is the standard method of wage payment on domestic trunk carriers and that progression steps have always existed. They say that they are hiring rapidly and that new employees are not fully productive immediately; that training is required for the equipment of each carrier and that the progression scale fairly reflects growth in efficiency during training.

The Board has examined the wage progression schedules for each Carrier and recommends that the entry rate in each classification be eliminated as of January 1, 1967, and that the rate just before the final rate be eliminated as of January 1, 1968. There is merit in the contention that some onjob training is needed, but it is apparent to the Board that in many classifications the number of progression steps is excessive.

The Board's recommendation is designed to permit a reduction in the number of progression steps in any new contract, returning to the parties for their joint study and determination in future negotiations the more basic question of the means by which the Carriers shall organize and finance onjob training.

4. WAGE RATES

Under previous agreements, employees represented by the IAM have been paid hourly rates established under two categories, Groups A and B, which broadly distinguished higher from less skilled classifications. In the most recent contract, the mechanic rate (at the top of regular progression steps) has been $3.52 per hour, and this figure has been used in testimony by both parties to the dispute as the basic rate for discussion purposes.

The Board follows this practice of the parties, using the mechanic rate illustratively. It is the standard practice in wage cases to use as the frame of reference a key rate, which in this instance is the mechanic rate. We wish to note, however, that the average job rate for all job classifications covered by both groups has been estimated at $3.25. We use the mechanic rate for purposes of clarity, but emphasize that it is not an average for all employees. That average will, in every case, be lower.

The testimony before us shows that both parties have proposed substantial increases in pay rates for the new contract period.

The Carriers have offered annual increases in hourly rates for each year of a proposed 3-year contract, the amounts ranging through three rather than two groups of skill classification as follows:

	First year (cents)	*Second year (cents)*	*Third year (cents)*
Group I	12	12	12
Group II	8	8	8
Group III	7	7	7

For the mechanic rate this offer has the following effect:

Past	*First year*	*Second year*	*Third year*
$3.52	$3. 64	$3. 76	$3. 88

The Union, by contrast, has proposed percentage increases across the board to all skills amounting to 5 percent the first year, 5 percent the second year, and 4 percent the third year. For the mechanic rate this proposal has the following effect:

Past	*First year*	*Second year*	*Third year*
$3.52	$3. 70	$3. 88	$4. 04

The differences between the two proposals are narrow. In reviewing them and the records made before us, we are struck by the fact that neither party accepts the other's view of the appropriate method for reflecting skill differentials in the application of general increases. Thus the Union rejects the three-group classification offered by the Carriers, while the Carriers suggest that a percentage increase applied across-the-board would deepen alleged inequities in present classifications.

Faced by disagreement between the parties on this point, we have concluded that in equity we should use the last classification scheme on which they have in fact agreed; namely, the two-group classification of earlier contracts, and should recommend for each group a fixed amount of wage increase.

After careful review of the record before us, considering the evidence submitted on conditions in the national economy and in the air transport industry, on labor market prospects, comparative wage rates, company earnings, productivity increases, trends in the cost of living, and other relevant matters, we conclude that both parties to this dispute, and national policy as well, would be served by a settlement which incorporated the following wage increases in our proposed 42-month contract:

	First 18 months (cents)	*Next 12 months (cents)*	*Last 12 months (cents)*
Group A	18	15	15
Group B	14	10	10

For the top mechanic rate this recommendation would have the following effect:

Past	*First 18 months*	*Next 12 months*	*Last 12 months*
$3.52	$3. 70	$3. 85	$4. 00

From the standpoint of the Carriers, the evidence before us suggests that over the life of the contract prospective productivity gains make these wage increases supportable without net addition to costs.

From the standpoint of the users of the airlines, the evidence before us suggests that over the life of the contract, if company earnings continue at anything like their present rate, these wage increases

would be no bar to continued reduction in transportation charges to the public, if other criteria warrant.

From the standpoint of the employees, the evidence before us suggests that over the life of the contract these wage increases would continue the past trend wage gains made by workers in this industry, and would maintain the competitive position of the industry in bidding for increasingly scarce skills.

From the standpoint of the general public, the evidence before us suggests that wage increases in the amount we have proposed, combined with the additional fringe benefits we recommend, constitute a genuinely noninflationary settlement of this dispute—a settlement which will contribute to the twin objectives that the President has put before the country: Stability and growth.

In this industry, as applied to these workers at the present time, the average cost of labor, taking wages and fringes together, is estimated by the best available sources at about $4.50 per hour. When this estimate of present cost is compared with the incremental cost of all our recommendations, the outcome, in our judgement, is distinctly noninflationary. This remains the case even after the wage increases are reflected in fringe benefits accruing once new wage rates take effect.

Moreover, in our recommendations to the parties for settlement of their outstanding local issues, we at once have proposed elimination of numerous, costly practices and have withheld approval from numerous demands which would create new elements of cost. Thus, our disposition of the local issues buttresses the noninflationary cost of the whole settlement, with results which vary somewhat from carrier to carrier.

In conclusion, we offer the considered judgment that our proposed terms of settlement, taken together, protect the interests of all parties in this dispute, the Carriers, the Union, and the public.

B. Vacation Allowances

Under the most recent contract, the Carriers have provided paid vacations to these employees on the following formula: 2 weeks of vacation after 1 year of employment; 3 weeks after 10 years; and 4 weeks after 20 years. The Union currently seeks a modification of this formula to provide 3 weeks of vacation after 8 years on the job, and 4 weeks after 15 years.

Weighing this request against the evidence presented to us on prevailing practice elsewhere, we have come to the conclusion that a good case can be made for liberalizing vacation pay accruing to long-service employees. We find that there has been a trend in this direction throughout American industry. While relatively few contracts in this country now provide 4 weeks of vacation after 15 years, the Board thinks that liberalization is justified in an industry which needs stability of service from the skilled men represented by this Union and which requires from the men a special devotion to duty in the interest of the traveling public.

Accordingly, we recommend 4 weeks of paid vacation after 15 years of service.

C. Health and Welfare Programs

In this area the Union proposed that the entire cost of the individual Carrier Health and Welfare plans shall be borne by the Carrier and that all plans shall be liberalized to provide full coverage for employees and dependents. The Union emphasized that Eastern has already assumed the full cost of these programs and that the Union recommendation is supported by the prevailing practice in industry generally.

The Carriers contended that current benefits under their plans exceed those typical of industry generally but nevertheless offered to make an additional contribution of 3 cents per hour in the second year of the contract against premiums for dependents coverage under presently exisiting group insurance plans. The Carriers stated that with this addition the average cost to the Carriers of current plans would be 17.4 cents per hour compared with an average employee contribution of 2.6 cents per hours.

The Board has taken note of these facts and others in the record and recommends against any increase in Carrier contributions at this time. The Union has not proposed and the Carriers have not offered an improved plan or additional benefits. Since the scope and coverage of the plans would remain unchanged an additional Carrier contribution of 3 cents per hour beginning the second year would simply result in an increase in employee compensation by this amount. The Board believes it is in the interests of both parties at this time to deal with increased cash compensation in connection with wage rate adjustments and has done so under paragraph 4 of Section A, above.

D. Pension Plans

The pension plan of National Airlines is already noncontributory and the Union requested that the other four Carriers assume the full cost of their plans.

The Carriers rejected the request emphasizing that although a majority of pension plans in industry generally are noncontributory, they usually provide a lower level of benefits. They point out that the Carriers' plans provide an average earned benefit of $8.68 per month as compared with a median industrial benefit earned of $2.75 per month; and which exceed average earned benefits under noncontributory plans in the automobile industry ($4.25), the aerospace industry ($4.24 to $4.75), and the steel industry ($5).

Here, as in the case of Health and Welfare benefits, the Board has studied the competing considerations stressed by the parties, but directs attention to the fact that the issue as presented does not relate to employee benefits under the plan but solely to the means of financing them. The Union proposal to transfer the cost of four plans to the Carriers is thus a request for additional compensation equal to the cost of the plan. Since we have already responded to the request for higher wage rates we recommend that this request be withdrawn.

E. Overtime Rules

The Union has proposed a sharp upward adjustment of pay for overtime work. Where existing rules call for time-and-a-half, the Union now would substitute double time. Similarly, where double time applies, the Union now proposes triple time.

The record before us offers no specific reasons for these changes except references to trends in other industries and general allegations of the need for severe penalties to minimize the use of overtime. We find it hard to square the stress on penalties with several of the local issues put before us, where the interest of employees in working overtime was demonstrated. We find it harder still to follow the comparisons with other industries.

The evidence available to us suggests that in this industry, above most others, overtime work is necessarily an adjunct of regular operations. Variations in weather, equipment changes, enforced delays in service, rescheduling of flights, are common features of airline operations in the present stage of technological development. Overtime work for service employees is an inevitable and frequent result. While we accept the notion that the Carriers, like other employers,

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should be discouraged from misuse of overtime, we cannot accept the contention that they should be penalized severly for resorting to this means of meeting their undoubted obligation to the public.

Accordingly we recommend that the overtime proposals by the Union be withdrawn.

F. Holiday Provisions

The Union has proposed an increase in the number of holidays from seven to eight, the eighth to be Good Friday. In addition, for work on holidays the Union requests holiday pay plus double time for all hours worked, with a minimum of 8 hours' pay; if more than 8 hours are worked on holidays, the excess is to be paid for at triple time rate.

The Union introduced several foreign flag carrier agreements to show that they provide for more than eight paid holidays. Northeast Airlines, the railroad companies, and many other major industries already have eight paid holidays.

The Carriers rejected an eighth holiday and, in particular, rejected Good Friday because on this day there is no significant decrease in airline traffic and in most instances employees would be required to work. The Board notes, in passing, that one of the existing paid holidays, Washington's Birthday, has even less of a decrease in traffic than Good Friday. The Carriers further argue that seven paid holidays is in accord with domestic trunk airline practice.

The existing contracts require that the Carriers compensate employees who work overtime on holidays at double time rates. The Union position is that employees should not be required to work overtime on holidays and that the double time provision is not a sufficient deterrent to prevent the Carriers from deliberately scheduling such overtime.

The Carriers reply that there is no scheduled overtime on holidays; that overtime is required only because of scheduling difficulties; that a heavier penalty would only increase airline costs without reducing overtime requirements.

The record clearly supports the existence of a trend to more liberal holiday provisions; Good Friday is observed as a religious day by many employees; Good Friday is accepted in other agreements as a suitable vacation day. The Board is unable to endorse the Union proposal for penalty holiday overtime first, because this is a round-the-clock industry with 24-hour commitments to its customers; second, because this underlies the contract between the parties; and third, because this fact is well known to and accepted by all airline employees.

The Board recommends that an eighth holiday, Good Friday, be granted by the Carriers and that the Union proposals for penalty holiday overtime be withdrawn.

G. Hours of Service

The Union has proposed that the 30-minute meal period now taken without pay as a break in each 8-hour working day, be compensated and treated henceforth as a portion of the hours worked.

The effect of this proposal would be to reduce the time of each shift from 8½ hours (including an uncompensated half hour) to 8 hours (fully compensated). The further effect would be to eliminate the overlaps between incoming and outgoing shifts which now occur during the last half hour each outgoing shift spends on the job.

The Union has contended in the hearings that elimination of shift overlaps would aid efficiency. The Carriers disagree. They argue that these overlaps are vital to assure effective personnel transmission of job information, tools, and work directives between shifts. It is the view of the Board that the Carriers' position was the sounder one on this issue.

Beyond this issue we perceive another which becomes decisive in our view; namely, that a growing and regulated industry, faced by increasing competition for skilled personnel should not be asked to put into effect a shorter workweek. We recommend, therefore, that this proposal by the Union be withdrawn.

H. License Premiums

The Union originally proposed that any employee required to have or use—later modified to any "mechanic" and "have and use"—any license issued by the FCC or FAA should receive additional compensation in the amount of 10 cents per hour for each license required.

This proposal was based primarily upon the alleged additional responsibility of the license holder in releasing aircraft or signing for aircraft work.

The carriers rejected the Union proposal both because of its cost and because there is little or no additional responsibility for the license holder. The Carriers argued that a mechanic who signs maintenance releases does not vouch for airworthiness; that a mechanic may be fined by the Federal Aviation Agency for personal failures whether or not he holds a license; that no domestic trunk carrier currently pays such a license premium.

In treating the wage issue this Board provided substantial pay differentials for mechanics and higher classifications; the license holders are all within this group. Since the added exposure to disciplinary action relied on by the Union is neither diminished nor remedied by a pay premium requirement, we recommend that the Union's proposal for license premiums be withdrawn.

V. LOCAL ISSUES [1]

A. Eastern Airlines and District 100

1. CARRIER PROPOSALS

(a) Eastern Proposal No. 1

The Carrier has proposed a change in the overtime provision, Article 14(c), to provide system overtime to replace local rules. It also proposes to eliminate the present bypass penalty pay provision in the agreement.

The 1963 collective bargaining agreement between Eastern Airlines and District 100 provided that the parties should meet to agree on system overtime rules. The Carrier contends that since that time agreement in principle has been reached on a series of system overtime rules but the final language has not been settled. The principal point still in contention between the parties is the Carrier's request for elimination of bypass penalty pay.

The Carrier contends that the current rules foster a great number of grievances; it has introduced evidence that overtime grievances have increased from 8 percent to 26 percent of all grievances between 1960 and 1965. The Carrier urges that system rules be agreed upon to permit standard administration of overtime. It is the Carrier's position that, under the present system, errors are difficult to avoid, particularly in emergency situations, and that the proposed system rules would decrease the likelihood of mistakes and disputes.

The Union's primary objection is to the elimination of the bypass penalty. The penalty has been in the collective bargaining agreement since 1961. The Union contends that problems arise under it because supervisors fail to offer work to the right man. The Union agrees that there are many grievances on overtime issues but contends that the fault lies with management.

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[1] For convenience the Board has numbered each of the Carrier and Union proposals consecutively. The substance of each proposal will enable the parties to relate this numbering system to the numbering and lettering system used by the parties in the transcript of the hearing.

The record is clear that the existing overtime provision on Eastern Airlines gives rise to an excessive number of grievances. The Board believes that this situation necessarily tends to strain the grievance machinery and constitutes a handicap to good relations between the parties. The Carrier's proposal retains the principal of equalization of overtime and has not had a negative response from the Union except for the matter of bypass pay. The Board notes that bypass penalty pay has been a part of this collective bargaining agreement during the past two contract periods. The Board is reluctant to disturb conditions arrived at through collective bargaining without compelling reasons. The new rules proposed by the Carrier are designed to correct the source of past problems. It is to be expected, therefore, that the number of grievances will be reduced and the number of instances in which bypass penalty pay is required will drop substantially.

Recommendation: That the system overtime rules proposed by Eastern Airlines be adopted but that the present provision for bypass pay not be disturbed.

(*b*) *Eastern Proposal No. 2*

The Company proposes to add a new paragraph to Article 20 of the agreement in order to permit the employment of part-time workers in the classifications of cleaner, ramp-servicemen, and stock clerk. The Carrier argues that fluctuations in peak workloads in the airline industry justify the employment of part-time workers for 3 or 4 hour periods in order to utilize employees effectively. Eastern contends that the jobs of present employees would not be jeopardized because, under its proposal, no employee would be displaced by part-time workers.

The Union points out that the Eastern Airlines–IAM agreement once provided for part-time employees but, through earlier negotiations, this provision was removed from the contract. The Union argues that, during negotiations, the Carrier offered no proof of a need for workers for 3 or 4 hours a day.

It is inherent in the transportation industry that accommodation to the needs of the traveling public will result in peaks and valleys of activity at airline stations. The Carrier now has considerable flexibility in scheduling the shifts of its regular employees. The Board believes that the existing flexibility in shift arrangements should be adequate to permit management to resolve its problems within the framework of its regular work force. Moreover, the Board notes that two of the classifications for which the Carrier seeks part-time

employees are those for which management testified, on the national issues, that relatively long progression training periods are required.

Recommendation: The Board recommends that the proposal of the Carrier be withdrawn.

(*c*) *Eastern Proposal No. 3*

The Carrier proposes to eliminate the present option in Article 10 which permits an employee scheduled to work on a holiday to elect either to receive double time pay or to receive straight time and add 1 day to his vacation. In addition, the Carrier would require an employee to work the day before and the day after a holiday to be eligible for holiday pay, if he is scheduled to work on those days.

The present option was made a part of the agreement when Eastern's operations had marked seasonal differences. Now operations are spread more evenly over the year. The existing provision thus causes a problem in vacation scheduling, along with an increasing economic effect. To require that employees work the day before and after a holiday is warranted, according to the Carrier, because these days usually are peak travel days and scheduled employees are needed for efficient operations.

The Union made no comment on the Carrier's proposal to remove the option of an added vacation day or premium pay for holidays. It argued, however, that requiring employees to work the days before and after a holiday was unnecessary because the Union knew of no abuses of this nature.

The Board recognizes that conditions may change over a period of years and that such changes may require adjustments in earlier contract provisions. In this case no economic loss to an employee would result from the Carrier's proposal since he would continue to receive premium pay for holidays worked. Moreover, improvement in the vacation provision for long-service employees has been recommended by the Board.

A provision requiring that all employees who are scheduled to work on the days before and after a holiday must report as scheduled in order to be eligible for holiday pay, is in accord with general industry practice. Further, such a provision is consistent with the needs of this industry in view of the service it must provide on peak travel days. The Board concludes, therefore, that the Carrier's proposal for changes in Article 10 are reasonable.

Recommendation: That the proposal be adopted.

(*d*) *Eastern Proposal No. 4*

The Carrier proposes to eliminate the classification, Ground Communications Technician, which includes about 20 employees. Formerly, Eastern maintained its own radio system to communicate with its pilots in flight, while all of the other carriers were with Arinc, which provided a joint service for them. Since the last negotiations, Eastern has sold its facilities and joined Arinc. The Carrier now wishes to eliminate this classification and restore the 20 employees to the general mechanic category from which they originally came. In the mechanic category, the Carrier indicated, the employees could be better utilized and would gain more employment opportunity.

It is clear from the record that the work formerly performed by Ground Communication Technicians no longer exists on Eastern. Formerly, these employees were included in the general category of mechanics; their pay rates are the same as those of mechanics. There appears to be no reason to continue to maintain a separate classification for them.

Recommendation: That the proposal be adopted.

(*e*) *Eastern Proposal No. 5*

The carrier proposes that the procedure for bidding shifts and days off be changed to require an employee to submit his written preference 7 calendar days after the supervisor issues the bid sheet. At the present time, both the bidding process and the assignment of shifts are conducted in order of seniority. This slows the bidding process so that a period of 2 or 3 weeks may elapse before assignments can be made. The proposed procedure would mean that all bids would be submitted simultaneously; the shifts would then be assigned according to seniority preference.

The Union raised no objection to this proposal in the course of the hearing.

On the basis of the testimony submitted, the Board finds the Carrier proposal reasonable.

Recommendation: That the proposal be adopted.

(*b*) *Eastern Proposal No. 6*

The Carrier proposes to add to Article 24—Sick Leave, the qualification that sick leave provisions will not apply to a day upon which an employee is not scheduled or required to work a regular shift.

The Carrier points out that all of its employees except those covered by the IAM contract receive pay for sick leave only when they are unable to work on scheduled work days due to sickness or injury. Until an arbitration award in 1963, the IAM sick leave provision was

administered in the same manner. As a result of this award the employees under the contract receive sick leave pay even though they would not have worked on the particular day. Thus, according to the Carrier, IAM employees receive this benefit under circumstances in which no other Eastern employees would receive such pay. The purpose of this proposal is to restore the uniform administration of sick leave for all of Eastern's employees.

The Union pointed out that a sick leave provision had been in the contract for many years, but did not question the facts cited by the Carrier with respect to the change in interpretation of the clause since the last negotiations. No reason was shown for an administration of sick leave different for IAM employees from other employees.

Sick leave pay is provided in labor agreements to protect employees from loss of income when they are unable to work because of sickness or injury. The purpose is to make the employee whole, not to pay him more than he would have earned had he been able to work. This purpose governs practice in industry generally, on other airlines, and for all Eastern employees except those organized by IAM. The Board believes that uniformity in the administration of sick leave pay should be restored at Eastern.

Recommendation: That the proposal be adopted.

(*g*). *Eastern Proposal No. 7.*

The Carrier proposes a modification of the active service provision in Article 20(g) to incorporate current practice into the contract. The Carrier alleged that this proposal is largely a technical adjustment which had not been settled primarily because the same contract article was being held open by the Union on a different issue.

The Union made no comment on the Carrier proposed change in the active service clause except to express opposition. The Union stood on the language of the present agreement.

The Board notes that the language provided by the Carrier for a new Article 20(g) is substantially different from the language in the present Article 20(g), as shown by Carrier Exhibit 34. For instance, the proposed language of the Carrier for a new Article 20(g) eliminates the language of the present article referring to "periods of illness or injury not in excess of ninety (90) days" in connection with the definition of active service.

Recommendation: It is the opinion of the Board that the Carrier failed on the record to sustain its burden of proof on this issue. Therefore, the Board recommends that the proposal be withdrawn.

(h) Eastern Proposal No. 8

Eastern proposes certain changes in Article 19, System Board of Adjustment, in order to streamline the grievance procedure. The parties have agreed on an expedited procedure using a five-man panel of arbitrators. They have been unable to agree, however, upon a procedure to select the members of the panel.

Recommendation: That, if the parties have not agreed on the 5 members of the panel by the time the contract is signed, the National Mediation Board be asked to supply a list of 15 arbitrators and to outline a procedure by which the parties will select 5 names from the list.

2. UNION PROPOSALS

(a) District 100 (Eastern) Proposal No. 1

District 100 proposes an amendment to Article 2(B) defining the scope of the agreement. The Union contends that the Carrier has been contracting out work which properly comes under the jurisdiction of its IAM employees and that a change in the scope statement is required to protect the job security of the employees it represents. It points out that in the arbitration of grievances on this issue, arbitrators have held that such contracting out by unilateral company action does not violate the terms of the present scope statement. In support of its position, the Union presented substantial evidence of work currently being performed by employees of other companies.

The Carrier argues that acceptance of the Union proposal would force major changes in its operations. It would create problems in handling specialized work for which Eastern lacks the facilities; it would require assignment of employees to perform maintenance work at stations where there is insufficient work to justify their full-time employment. Further, the Carrier points out that there is a shortage of skilled employees at the present time and that there has been a steady increase in the employment by Eastern of workers in categories represented by the IAM. The Carrier also cites the fact that it performs a great deal of work on contract for other companies, work which is performed by employees in District 100. The Carrier asserts that greatly increased costs would result from the Union proposal in terms of unneeded capital and unnecessary employees.

Federal regulation of the Carriers is directed toward the welfare and convenience of the traveling public. In fulfilling that obliga-

tion a Carrier sometimes must maintain at least limited service at certain points. At such stations it may be more efficient to utilize some of the services of other Carriers, if there is insufficient work to maintain full-time employees in all categories.

In the opinion of the Board, the Union proposal in its present form would lead to a decline in the efficiency of operations and would not enhance the job security of IAM-represented employees. Moreover, there is clear evidence that both parties to these proceeding desire to achieve more nearly uniform conditions throughout the industry. They have negotiated in the past toward an equalization of rates of pay. They have agreed to bargain economic issues jointly in this case. The Board desires to support the parties in their efforts in this direction. Evidence has been presented that one of the five Carriers in this proceeding has negotiated a settlement of this issue, with another District of the IAM, which modifies the current contract language to meet the Union's objections. It appears in the interest of both parties generally to confirm the settlement of this issue on Eastern with the agreement reached by National.

Recommendation: That the parties adopt in principle the settlement between National Airlines and IAM, District 145, modified as necessary to take account of differences under their respective agreements.

(*b*) *District 100 (Eastern) Proposal No. 2*

District 100 proposes that leads in the various classifications shall make all work assignments to the employees assigned to their lead crews. The Union contends that historically assignments have been made by the leads but that Eastern recently changed its procedure so that the planner or foreman makes assignments, bypassing the lead. This practice, in the Union's view, is an infringement on its work jurisdiction

The Carrier contends that the Union proposal would prevent any supervisor other than the lead from assigning work and thus would limit the production planning procedures of the Carrier, would require a lead on all assignments including temporary relief, and would interfere with management's right to control assignments. It is the position of the Carrier that the function of the lead to direct performance, not to determine assignments.

The record does not show any recent decrease in the number of lead jobs or that the function of directing work has changed.

Evidence presented does show that Eastern has developed production planning procedures through which a planner decides assignments in accordance with the overall needs of production. Clearly it is an exercise of management perogative to establish the flow of work and to allocate responsibility for its direction. The Union proposal could limit the effectiveness of management planning for efficiency in operations.

Recommendation: That the proposal be withdrawn.

(*c*) *District 100 (Eastern) Proposal No. 3*

District 100 proposes an amendement to Article 20(G) to provied that an employee will not lose active service benfits as long as there is an employer-employee relationship or the employee remains on the seniority list. By this amendment the Union seeks to restore active service credits that employees lost during the strike of another union in 1962.

The Carrier points out that the IAM International did not support the strike and that the employees who lost active service credits could have retained them by reporting to work in accordance with the position of the International.

It is clear from the evidence that the active service credits here involved were lost because the employeees participated in an unauthorized strike. The Board finds no basis for accepting the proposal.

Recommendation: That the proposal be withdrawn.

(*d*) *District 100 (Eastern) Proposal No. 4*

District 100 proposes an amendment in Article 24 to provide that absences due to legitimate use of injury and/or sick leave not to be charged against the employee's attendance record or used by the Carrier in support of discipline or discharge for absenteeism.

The Union protests the present Carrier policy of using sick leave or injury leave absences to build up a record of unsatisfactory attendance leading to disciplinary action. There are safeguards in the contract, the Union points out, against abuse of sick leave. The Union urges that neither sick nor injury leave, nor other absence authorized by management, should be made part of an employee's attendance record.

It is the Carrier's position that an unsatisfactory attendance record increases its costs of production, whatever the cause, and that the employee is protected by his right of recourse to arbitration. The Carrier contends that its attendance control program is fairly administered.

The Board recognized the Carrier's need to maintain control of the attendance of employees. Further, it is an accepted principle of industrial relations that persistent absenteeism is cause for discipline, including discharge, and that such determination usually are based on cumulative records. On the other hand, Eastern's attendance control program appears to consist solely of demerits, with no counterbalancing credit given for periods of good attendance records. It is the opinion of the Board that the counterproposals made by the Carrier on this issue move in the direction of accomplishing such a balance. The Board suggests that they go one step further by providing for redress of the employee's record when such action is supported by review of his record.

Recommendation: That the counterproposals of the Carriers be adopted with an additional provision for redress of the employee's record when warranted by review.

B. Northwest Airlines, Inc., and District 143

1. CARRIER PROPOSALS

(*a*) *Northwest Proposal No. 1*

The Carrier has proposed elimination of the 20-minute paid lunch period provided for flight kitchen employees under the agreement.

The Carrier states that this amendment would make the flight kitchen personnel provision consistent with mechanic and plant protection agreements. Further, among the four domestic airline trunk carriers which operate flight kitchens, Northwest is the only carrier currently providing a paid lunch period. The Carrier maintains that the overlap available with an unpaid lunch period provides better continuity of work programing and reduces overtime requirements.

The Union claims that the paid lunch period actually benefits the company because it is scheduled during slack times, whereas the 30-minute unpaid lunch must be regularly scheduled. The Union denied that there would be any saving on overtime. The Carrier admitted that much of the overtime would be due to illneses, weather, flight scheduling, et cetera.

This 20-minute paid lunch period for flight kitchen personnel is a provision of long standing on Northwest. At one time it was of benefit to the Carrier and, according to the Union, still is a convenience to the Carrier.

It is the view of the Board that contractual rights which exist in the present agreement, and which are the result of previous collective

bargaining negotiations, should not be modified by the Board in the absence of a clear justification by the proponents. The 20-minute paid lunch period provided for flight kitchen employees under the present agreement is a longstanding contractual provision. It is the view of the Board that the Carrier, on the record, failed to sustain its burden of proof on this issue.

Recommendation: That the proposal be withdrawn.

(*b*) *Northwest Proposal No. 2*

The Carrier proposed to revise the fixed starting time rule at line stations under Mechanic and Related Personnel agreements to permit the establishment of times which meet the needs of the service.

The Carrier claims that the purpose of this proposed change is to eliminate arbitrary and costly shift starting times at line stations. These times are presently unrelated to the workload generated by flight schedules. The Carrier's witnesses and exhibits established the fluctuation in the demands of service. These demands do not correspond to standard mandatory shift schedules now set in the contract. Further, the majority of domestic airline trunk carriers have rules which permit starting times limited only by the needs of the service. Of the remaining carriers in this case, only TWA has a rule as restrictive as Northwest.

The National Airlines Agreement on this issue provides that the starting times of shifts should be established in accordance with the needs of the service at each base.

The Eastern Air Line Agreement provides that the starting times of shifts shall be established in accordance with the needs of the service at each station provided that there shall be no more than 6 shifts each with a single starting time within a 24-hour period for any classification of employees involved.

The United Air Lines Agreement provides for not more than 5 starting times with a 24-hour period.

Only Northwest and TWA have detailed restrictive clauses in their agreements as to starting times on these two carriers which have given rise to the dispute over this issue.

The Board was impressed by the showing of the Carriers that some reasonable control of shift starting times should be within the prerogatives of management. It is the view of the Board, moreover, that some reasonable modification of Article VI, Section C, of the Northwest Agreement, would result in more efficient operation which in the long run would be of benefit to the Carrier, consumers and employees.

Recommendation: That the parties modify their present agreement

so as to include a provision, "That there shall not be more than five (5) starting times within a twenty-four (24) hour period for any classification of employees for a work area of a line station."

(*c*) *Northwest Proposal No. 3*

The Carrier proposes to amend the hours of service rule to provide that employees will not be required to report for work on a scheduled day off for less than 4 hours work or pay.

The Carrier testified that the purpose of this proposal is to modify the present 8-hour guarantee, providing what management considers a reasonable minimum of 4 hours of work or pay for an employee called to work or to train on a day off. Northwest is the only trunk carrier under contract with IAM which is required to pay a minimum of 8 hours.

The present provision in the contract providing for an 8-hour guarantee is one of long standing. As noted by the Board previously in this report, it is the view of the Board that contractual rights established through prior collective bargaining should not be modified by the Board in the absence of justifying proof from the proponents. The 8-hour guarantee, as it stands, presumably was considered a fair settlement by the Carrier when it accepted the provision in the first place. Acceptance at the time undoubtedly was considered favorably in light of other provisions agreed to by the parties in the give-and-take which produced the present agreement.

The Board believes, on the basis of the record before it, that the carrier controlling the scheduling of work hours should continue the negotiated provision in the present contract.

Recommendation: That the proposal be withdrawn.

(*d*) *Northwest Proposal No. 4*

The Carrier proposes a limited seasonal student employment program at locations where no regular employees are laid off.

The purpose of this proposal is to enable the Carrier to expand its program for seasonal student employment. The proposed rule would be subject to these qualifications: First, that no regular employee be displaced; second, that no student be employed at any location when regular employees in the classification are laid off; third, that preference for seasonal student employment be given to children of regular employees; fourth, that student employees present evidence of their intent to continue their education at an institution of advanced study; fifth, that seasonal positions will not exceed 90 days duration, will not be subject to the bulletin procedure, and will not establish seniority.

The Union favored the program but raised several objections. The

Union felt that there were not sufficient regular employees in the classifications open to seasonal student employees. The Union also desired to continue the bulletin provisions for positions to be filled by such students.

The Board believes the company should be encouraged in continuing this program.

The students who would benefit from seasonal employment are children of the employees. The employees and the Carrier have a mutual obligation to resolve any problems created by the program. The primary objection of the Union is that all the students normally are assigned to the day shift while employees with substantial seniority must work on less desirable shifts.

The Board recognizes that the Carrier can use the students most effectively in groups and that in some instances the type of work they can perform may not be available except on the day shift. The Board believes, however, that the Union's objection could be overcome substantially if the Carrier would, to the extent practical, distribute student employees throughout all shifts.

Recommendation: That the proposal be adopted with a proviso that, where suitable work is available, the students be assigned to all shifts.

(*e*) *Northwest Proposal No. 5*

The Carrier proposes that standard work clothing required by the Carrier shall be sold at cost to the employees but shall be maintained by them.

The present agreements provide that all standard uniforms, caps and coveralls, which mechanics are required to wear, shall be furnished by the Carrier without cost to the employee, including the expense of laundering and cleaning. The Carrier does not require uniforms for plant protection employees. The Carrier points out that in the bargaining prior to the appointment of the Emergency Board the Union had a proposal on this same issue which would have required the company to provide and maintain standard work clothing for all employees at no cost to them. The Carrier offered its proposal as a reasonable compromise.

At the hearing before the Emergency Board the Union withdrew its request that the Carrier provide and maintain standard work clothing for all employees.

It is the opinion of the Board that the Carrier failed to sustain its burden of proof in support of its proposal for a change in the present agreement.

Recommendation: That the Carrier withdraw its proposal.

(*f*) *Northwest Proposal No. 6*

The Carrier proposes to eliminate the foreign service bonus, foreign vacation accrual, and the Anchorage housing, effective January 1, 1967, for approximately 11 employees hired in the States and stationed in Alaska before Alaska attained statehood.

In June 1946 Northwest was first certified to operate over the North Pacific route to the Orient. Because of the shortage of foodstuffs, household goods, and housing at Anchorage, the Carrier had difficulty staffing these stations. The so-called "foreign service addendum provision" was then negotiated into the contract to provide employees represented by the Union with certain additional benefits and/or compensation to offset the then existing hardships and undesirable living conditions. The Carrier is proposing to eliminate certain of these items; all other compensations provided for in the addendum would still be paid to the 11 employees.

The Union emphasized that employees hired in Alaska receive many additional benefits in overtime, holidays and vacations, as well as in hourly rates of pay.

It is the view of the Board that the contractual commitment made by the Carrier in the first instance to these 11 employees should be recognized as continuing for the length of their employment in Alaska. The Board believes that with regard to any new employees, the proposal of the Carrier is reasonable.

Recommendation: That the proposal be withdrawn as to the 11 employees and accepted as to new employees.

2. UNION PROPOSALS

(*a*) *District 143 (Northwest) Proposal No. 1*

The Union proposes that the Carrier furnish two positive annual passes for use over the Carrier's system during the term of office of the Union's president/general chairman and the general chairman. Use would be limited to flights in connection with Union business.

The Union now receives one positive annual pass which is used by the president/general chairman. Other Union representatives receive space-available passes, including the general chairman.

The Carrier argues that a space-available pass is sufficient. The Union's position is that reduced fares are given to certain youths, families, servicemen, et cetera, all of which have preference over space available passengers.

Although the second positive annual pass would be an additional expense to the Carrier, the Board believes the proposal of the Union is justified.

A great amount of travel is required in order to conduct necessary Union business for airline employees stationed at widely separated points. It is not unreasonable that two officials of the Union should be provided with transportation on the Carrier's planes to conduct that business.

In view of the uncertainty which now so often attends travel on a space-available basis, the Board believes that positive transportation should be provided for the general chairman as well as the president/general chairman.

Recommendation: That the proposal be adopted.

(*b*) *District 143 (Northwest) Proposal No. 2*

The Union proposes that newer and more efficient foul weather equipment and lightweight winter clothing for ramp personnel be furnished by the Carrier, laundering and cleaning costs to be borne by the Carrier.

The Union originally proposed that the Carriers provide and maintain standard work clothing for all employees at no cost to them. This proposal was withdrawn prior to the appointment of the Emergency Board and, therefore, was not before the Board for decision.

The final proposal of the Union involved issues similar to the proposal of the Carrier regarding standard work clothing. The Board understands that the Union and Carrier have discussed this matter and that the Carrier is aware of the type of foul weather equipment and lightweight winter clothing desired by the Union.

Although the Board feels that the selection and requirement of standard clothing is primarily a decision for the Carrier, the request of the Union is reasonable.

Recommendation: That the Carrier furnish newer and more efficient foul weather equipment and lightweight winter clothing as the Carrier's present stock of such clothing requires replacement, with laundering and cleaning costs to be borne by the Carrier.

C. Trans World Airlines, Inc., and District 142

1. CARRIER PROPOSALS

(*a*) *TWA Proposal No. 1*

The Carrier proposes that the Union enter into a letter of agreement which would insure that the IAM-covered employees continue to render

their services to flights operated by the Carrier for U.S. military establishments even though the Carrier and the Union are involved in a strike or withdrawal of services by the Union in commercial operations.

TWA believes this proposal is in the national interest. The Department of Defense desires such an agreement between the Carrier and the Union. Lack of this agreement would have an impact on the Carrier's ability to obtain military contracts in which the employees also have a vital economic interest.

The Carrier submitted exhibits showing that the Union has entered into such agreements with United Air Lines, Northwest Airlines, Braniff Airlines, Continental Airlines. TWA has such agreements with other employee groups. Since military contract revenues represent only 1 to 2 percent of the Carrier's total system revenues, this proposal would not substantially reduce the Union's right to self-help.

The Union stated that flight engineers were not included in the letter of agreement on this issue. However, the Carrier claimed that the Flight Engineer's Union president had verbally agreed to this proposal.

The Board finds the provision requested by the Carrier clearly in the interest of national security.

Recommendation: That the proposal be adopted.

(*b*) *TWA Proposal No. 2*

The Carrier proposes that the scope clauses in the three agreements be amended to eliminate any ambiguity as to the Carirer's right to subcontract work not directly performed by the Carrier on its property.

The Carrier's position is that it presently possesses the right to subcontract work not directly performed on its property. It desires specific language because of the large number of allegedly unwarranted grievances filed by employees under the present agreement. The Union has an agreement including such language with Braniff Airways, Continental Airlines, and United Airlines. Similar language is contained in agreements between the Transport Worker's Union and American Airlines, and Pan American World Airways.

The Union's position is that this proposal would give the Carrier the unilateral right to contract out work not performed on the property.

The Carrier's proposal is not designed to reduce any present work opportunities available to its own employees in the bargaining unit, nor does it seek to dilute the Union's present work jurisdiction.

Recommendation: That the Carrier's proposal be adopted.

(c) TWA Proposal No. 3

The Carrier proposes that its mechanics and guards agreement be amended to permit the establishment of whatever number of shifts, at whatever starting times, operations and needs of the service require and that the requirements of Article VII(f) (that shifts in excess of three be confined to station crews serving flights) be eliminated. The required overlap of one-half hour between standard present shifts would no longer be mandatory.

The Carrier is presently limited to the establishment of three shifts at its major stations, the first shift not to start earlier than 6:30 a.m., or later than 8 a.m. Each shift is of 8 hours duration, exclusive of one-half hour for lunch. The second and third shifts are subject to a 30-minute overlap requirement.

Article VII(f) permits two additional shifts but restricts the additional shifts to station crews servicing flights; this would be in the terminal or station area. Additional shifts would not be utilized at the hangar and the air freight warehouse.

The Carrier established fluctuations in the demands for service which do not correspond with standard mandatory shift schedules now set out in the contract. Further, the majority of the domestic airline trunk carriers have rules which permit starting time limited only by the needs of the service. Of the remaining carriers, only Northwest Airlines has a rule as restrictive as TWA.

The National Airlines Agreement on this issue provides that the starting times of shifts should be established in accordance with the needs of the service at each base.

The Eastern Airline Agreement provides that the starting times of shifts be established in accordance with the needs of the service at each station provided that there shall be no more than six shifts each with a single starting time within a 24-hour period for any classification of employees involved.

The United Airlines Agreement provides for not more than five starting times within a 24-hour period.

On the other hand, Northwest and TWA agreements have the detailed restrictive clauses which have given rise to this dispute.

The Board was impressed by the evidence presented by the Carrier that reasonable control over shift starting times should be within the prerogative of management. It is the view of the Board, moreover, that reasonable modification of the hours of service section relating to shift starting time and Article VII of the agreement would result in more efficient operation which in the long run would be of benefit to the Carrier, consumers and employees.

Recommendation: That the parties modify their present agreement so as to include a provision, "That there shall not be more than five starting times within a 24-hour period for any classification of employees for a work area of a line station."

(*d*) *TWA Proposal No. 4*

The Carrier proposes to amend Article XIV (b), to eliminate the prohibition against suspension of an employee pending investigation by a safety committee for refusal to work on a job which is allegedly unsafe.

The Carrier testified that the adoption of this amendment would result in fewer attempts by employees to raise questionable health and safety issues. It also stated that the Safety Committee is not always readily available to pass upon safety issues.

The Union testified that even if the Safety Committee is not always available, IAM stewards are instructed to handle such problems until the Safety Committee becomes available. It further states that TWA has refused to participate in a system safety provision.

Recommendation: That the Carrier withdraw its proposal and that the contract be modified to permit IAM stewards and TWA foremen jointly to investigate such allegations if a Safety Committee is not readily available.

(*e*) *TWA Proposal No. 5*

The Carrier proposes to make permanent work assignments for ramp servicemen.

The Carrier testified that under the present agreement the ramp servicemen classification encompasses numerous duties involved in the handling of food and mail service, loading and unloading of mail, express and freight cargo handling, baggage handling and, at some stations, cleaning and fueling of aircraft.

The Carrier seeks a letter of understanding which would permit assignment of ramp servicemen to a particular work assignment for the purpose of permitting specialization and more efficient service. There was also some indication that overtime could then be worked by experienced personnel instead of requiring that it be available to all ramp servicemen in the general classification.

The Union replied that this proposal would, in effect, create departmental groups within the classification of ramp servicemen, establishing departmental seniority which the Union has opposed.

The Board is of the opinion that this proposal would result in more restrictive classifications.

Recommendation: That the Carrier withdraw its proposal.

2. UNION PROPOSALS

(*a*) *District 142 (TWA) Proposal No. 1*

The Union proposes to amend Article II(c) to require two ramp servicemen at all Carrier domestic stations, if there are two flights at the station within an 8-hour period.

The Carrier stated that only 6 of its 39 domestic stations are not staffed with ramp servicemen and that at these stations the activity is too light to warrant such staffing. Further, that no other carriers have a minimum staffing requirement.

The Board is convinced that there is not sufficient work at all stations to justify the minimum staffing proposal of the Union.

Recommendation: That the Union proposal be withdrawn.

(*b*) *District 142 (TWA) Proposal No. 2*

The Union proposes that the Carrier be prohibited from using legitimate sick and/or injury leave in certain cases for the purpose of discharging employees for excessive absenteeism.

The Union contended that legitimate absence for illness or injury should not be a basis for discharge.

The Carrier position is that management has a right to require regular attendance and to discharge for persistent absenteeism, including legitimate illness or injury. Numerous arbitration decisions are cited in support of the Carrier's position.

This issue is similar to Union issue No. 4 on Eastern Airlines. The Board finds no basis for disagreeing with the decisions of arbitrators that excessive absenteeism may justify discharge of an employee. For this reason as well as the reasons stated in District 100 (Eastern) Proposal No. 4, the Board cannot support the Union's proposal. The Board suggests that the Carrier provide for redress of the employee's record when such action is supported by review of it.

Recommendation: That the Union withdraw its proposal, and that the Carrier provide for redress of the employee's record, when warranted by review of it.

(*c*) *District 142 (TWA) Proposal No. 3*

The Union proposes that the Carrier be required to return employees' pass privileges to the status existing January 1, 1964, when a surcharge was imposed on first-class travel. The contract provides that this pass privilege is within the discretion of the Carrier.

In the agreement between the parties, the Carrier had provided pass privileges to all their employees. A small service charge is levied to cover costs. In the case of first-class travel, there is a surcharge

which is the charge complained of here. The Union position is that this pass privilege is an important fringe benefit and that the employees should not be required to pay a surcharge for first-class travel in addition to the service charge.

The Board considers the Carriers' employee pass privileges a liberal provision in the contract. It does not believe the surcharge imposed on first-class travel is an unreasonable charge.

Recommendation: That the Union proposal be withdrawn.

D. United Airlines, Inc., and District 141

1. CARRIER PROPOSALS

(*a*) *United Proposal No. 1*

The Carrier proposes to amend the agreement to provide that passenger service employees may operate jetways. The Carrier argues that passenger agents performed this duty until an arbitration award granted ramp men the exclusive right to it. It is the position of the Carrier that passenger agents in any case are required to stand at the point where jetway controls are located, while ramp servicemen must be brought from one floor below, where their other duties are performed. The Carrier contends that the current procedure adds to its costs; that the change it has proposed would not result in layoffs, only in reassignments.

The Union argues that under the contract terms the "operation of automotive and other ramp equipment for service aircraft" is by definition within the scope of the ramp servicemen's work jurisdiction. It points out that, if the Carrier's proposal to assign the operation of jetways to passenger agents were accepted, it would take work away from bargaining unit employees and give it to workers who are not organized. Further, the Union points out that at the busier airports where jetways usually are located, there is sufficient work for a full-time employee to be assigned to this function.

The contract provision involved in this issue has been in the collective bargaining contract for many years. The Union's claim to the work under that provision has been sustained in arbitration. Evidence presented by the Carrier on this issue appears to the Board to be insufficient to warrant changing a long standing negotiated contract clause.

Recommendations: That the Carrier proposal be withdrawn.

(*b*) *United Proposal No. 2*

The Carrier proposes that ramp servicemen be permitted to receive and dispatch planes. The Carrier argues that none of the duties of

receiving or dispatching aircraft requires the skill of a mechanic. At stations where no mechanics are assigned, station agents perform this function, while at four other stations, by agreement with the Union, either utility men or ramp servicemen perform the duties. At 22 larger stations only mechanics may receive or dispatch planes. The Carrier wishes to assign these mechanics to mechanic's work and to permit ramp servicemen to receive and dispatch planes at those stations. They state that no mechanics would be displaced.

The Union argues that is has been the practice for many years to use mechanics to perform this function at stations to which they are assigned. It insists that mechanics could be expected to observe conditions which might create safety problems a ramp serviceman is not trained to observe. Further, the Union argues that the Carrier is trying to get mechanic's work done by a lower pay classification and that this proposal will have the ultimate effect of removing a number of mechanics.

The testimony in the case showed that there are no FAA regulations requiring a mechanic to perform this function, as a matter of safety. Moreover, there is a shortage of mechanics at the present time to perform work for which a mechanic's skills are required. Since both parties agree that at many stations these duties are performed by personnel other than mechanics, the Board is persuaded that a mechanic's skills can be better utilized in other assignments.

Recommendations: That the proposal be adopted.

(*c*) *United Proposal No. 3*

The Carrier proposes to amend Article IV(H) to permit either utility employees or ramp servicemen to do interior through-cleaning and cabin setup. It is the Carrier's position that historically there was a difference between through-cleaning and turnaround cleaning which no longer exists. Ramp servicemen have performed a minimum amount of through-cleaning as an incidental part of their basic duties. Now there is little difference between through and turnaround flights. The Carrier therefore is seeking to use specialized utility crews to do all cleaning at larger stations.

The Union contends that, by this proposal, the Carrier is attempting to assign to lower paid employees work that formerly was performed by ramp servicemen.

There is no allegation either that ramp servicemen will be displaced under this proposal or that cleaning ever was more than a minimal part of their work. The Carrier's proposal would appear to lead to increased efficiency and improved service to the public. The Board

believes that no ramp service employees would be adversely affected by adoption of the Carrier's proposal.

Recommendations: That the proposal be adopted.

(*d*) *United Proposal No. 4*

The Carrier proposes an amendment to Article VII(F) to provide that an employee may be excused by his supervisor from working overtime if the needs of the service permit. The existing clause states that an employee will not be required to work overtime against his wishes. The Carrier contends that there have been instances where the employees engaged in a concerted refusal to work overtime to force concessions from management either in negotiations or at other times.

The Union states that the International has intervened to stop mass refusals to work overtime but that men cannot be forced to work overtime.

The Board cannot agree with the Union that employees have no obligation to work overtime. It is generally accepted industrial practice that reasonable amounts of overtime may be required by an employer. Moreover, in this industry, a mass refusal of overtime could adversely affect the service the Carrier is obligated to provide. More importantly, the safety of the public could be involved.

Recommendation: That the proposal be adopted.

(*e*) *United Proposal No. 5*

The Carrier proposes to eliminate the current provision in Article VII(I) which provides that employees be given 4 hours' notice of contemplated overtime. United urges that under present operating conditions management itself frequently does not know 4 hours in advance that overtime work will be required.

The Union indicated that, if the Carrier would make a satisfactory adjustment on overtime distribution, it would accept the Carrier's proposal.

The Board has indicated in certain of its other recommendations that it recognizes and supports the efforts of the parties to move toward greater uniformity in working conditions in this industry. In the contracts of two other airlines, parties to this case, a similar contract provision includes exceptions to the rule specifying 4 hours' notice of overtime. The Board therefore suggests a similar provision here.

Recommendation: That employees shall be given 4 hours' notice of contemplated overtime work, except in cases of emergency and at line stations where interruptions of flight schedules make a 4-hour notice impossible.

(*f*) *United Proposal No. 6*

The Carrier seeks to amend Article X(A–2) and (I) to permit the extension from 30 to 90 days of the time limit within which jobs higher than mechanic can be filled without being bulletined. United argues that fluctuating workloads result in a need to make temporary reassignments for periods in excess of 30 days. To replace a lead for a temporary period, the Carrier contends, creates a chain reaction of vacancies which later must be reversed by layoffs.

It is the Union position that the present contract provision requiring the bulleting of vacancies in excess of 30 days is current practice. The Union rejects any change.

Provisions that vacancies in excess of 30 days must be bulletined are common in labor agreements generally as well as in this industry. Testimony presented by the Carrier fails to demonstrate any handicap to its operations as a result of the present contract clause which would warrant departure from this widely accepted practice.

Recommendation: That the proposal be withdrawn.

2 UNION PROPOSALS

(*a*) *District 141 (United) Proposal No. 1*

The Union proposes that Articles IV(A) and V(A) be amended to provide that all assignments be made by the lead to his crew except that, when he is not readily available, the foreman or supervisor shall make such assignments. Further, the Union proposes that a lead shall be on duty when 3 or more employees are on duty and no lead shall direct the work of more than 11 employees. The Union agreed that these ratios are generally maintained by United but cited instances where no lead is employed.

The Carrier contends that flexibility is necessary in permitting supervisors to give assignments and in determining whether there is need for a lead.

The Board believes that the Union proposal could lead to restrictions on the Carrier's operations which would handicap efficiency. Moreover, such a clause in the contract places an unwarranted limitation on the Carrier's prerogative to manage its operations.

Recommendation: That the proposal be withdrawn.

(*b*) *District 141 (United) Proposal No. 2*

The Union proposes that Article IV(B) be amended to restore the right of mechanics to receive and dispatch aircraft at the four stations where, by agreement in 1961, the work was assigned to ramp servicemen.

The Carrier contends that such a restriction would require assignment of mechanics to work in which their skills could not be utilized.

For the same reasons given in its decision to permit the use of ramp serviceman to perform this function at other stations (United Proposal, No. 2), the Board finds no basis to limit assignment of this function to mechanics.

Recommendation: That the proposal be withdrawn.

(*c*) *District 141 (United) Proposal No. 3*

The Union proposes that system overtime rules be adopted which would include provision for equalization of overtime and pay for bypass. It contends that local agreements which govern the distribution of overtime have functioned unsatisfactorily and that many grievances have resulted from overtime bypass. The Union insists on pay for bypass and on assignment on the second day off if the same employee is still the low man.

The Carrier has agreed to a uniform set of system overtime rules. It opposes bypass pay, contending that existence of the penalty does not eliminate errors. Overtime assignment on the second day off is opposed because pay would be at double time rather than time and one-half as it would be if assigned to another employee.

The Board finds that the parties are in substantial agreement with respect to new system overtime rules, except for bypass pay and second-day-off assignment. The purpose of an equilization of overtime provision is to insure all employees a fair opportunity to work at premium rates. Generally, such clauses provide that the opportunity should be equalized over a specific period such as 30 or 90 days. An opportunity missed is not lost; it may be deferred. But if an employee is consistently bypassed he has a remedy through grievance machinery. Moreover, the obligation of the employer under an equilization of overtime clause is normally not as restrictive as under seniority clause. The Board, therefore, finds no basis to recommend instituting bypass pay where it does not now exist.

As to the second day off at double pay, the same arguments generally apply. Labor organizations typically have sought an increased overtime penalty to discourage 7 day assignments. It cannot then be argued that having achieved inclusion of the penalty rate in the contracts, employees must be assigned on the seventh day. There is no basis for imposing a penalty on the employer because the same employee is still low man on the overtime list. The employee is not thereby entitled to extra premium pay, or the employer subject to

the extra penalty, so long as over a fixed span of time overtime work opportunities are offered as equally as possible to all employees. The Board finds no support in general industry practice for this penalty provision.

Recommendation: That the system overtime rules proposed by the Union on which general agreement has been reached be adopted, but that the rules should not include bypass pay or assignment on the second day off if the same employee is still low man.

(*d*) *District 141 (United) Proposal No. 4*

The Union proposes that the present point seniority provision be replaced by system seniority. The Carrier has agreed to the Union proposal except that it includes two conditions which are unsatisfactory to the Union. The Union insists that every vacancy be bulletined as it occurs, while the Carrier desires permanent bids. The second condition that the Union rejects is a provision that the Carrier would not be required to accept bids for vacancies created by employees voluntarily transferring by bid. The Union contends that both of the Carrier's conditions would prevent reasonable application of seniority preference.

The Carrier supports its first condition by pointing out that the Ramp and Stores agreements now have permanent bid procedures which are less time consuming and costly than the current Mechanics agreement procedure of bulletining each bid. With system seniority, transfers would be likely to increase and to cause new problems unless a permanent bid procedure is adopted. Because the Carrier anticipates a substantial increase in transfers with an accompanying high cost of training on different equipment, it has proposed the second condition as a deterrent to an excessive number of transfers.

The testimony indicates that permanent bids are now the accepted practice for other United employees organized by IAM. It is in accord with the parties' general approach toward greater uniformity of working conditions that the same practice should be incorporated in the proposed system overtime rules for mechanics. The Board finds, further, that the effect of widespread chain-bumping, which could occur under system seniority, would be to impose a burden of high costs on the Carrier. The Carrier has agreed to the Union's proposal on seniority; that their agreement should also require the assumption of unnecessary costs appears to be unreasonable.

Recommendation: That the Union's proposal be adopted and that the two conditions of permanent bids and no requirement to accept

bids on vacanies created by voluntary transfers be included in the contract provision.

VI. CONCLUSION

The Board is grateful to the representatives of the International Association of Machinists and Aerospace Workers and the five Carriers for their diligence, good will, candor, and objectivity. The Board is impressed with the obvious sincerity of the parties and with their desire to present the facts as they saw them; this they have done without the bitterness or resentment which might unduly delay eventual agreements.

Their cooperation has assisted the Board in the performance of its duties; we in turn sincerely hope that the Board's recommendations will help them to reach prompt settlements. With 60 percent of our air transport industry involved, any delays would threaten the welfare of the country and the convenience of many Americans.

The parties have provided the Board with a good record to which the Board has given full consideration.

The Board strongly believes that in the public interest the disputes submitted to it should be settled in accordance with its recommendations.

Respectfully submitted.

(S) Wayne Morse,
WAYNE MORSE, *Chairman.*

(S) David Ginsburg,
DAVID GINSBURG, *Member.*

(S) Richard E. Neustadt,
RICHARD E. NEUSTADT, *Member.*

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