Report

TO

THE PRESIDENT

BY

EMERGENCY BOARD No. 168

APPOINTED BY EXECUTIVE ORDER NO. 11308 DATED SEPTEMBER 30, 1966, PURSUANT TO SECTION 10 OF THE RAILWAY LABOR ACT, AS AMENDED

To Investigate a dispute between Pan American World Airways, Inc., and certain of its employees represented by the Transportation Workers Union of America, AFL–CIO.

(National Mediation Board Case No. A–7841)

WASHINGTON, D.C.
OCTOBER 30, 1966

LETTER OF TRANSMITTAL

WASHINGTON, D.C., *October 30, 1966.*

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

Dear Mr. President: On September 30, 1966, by your Executive Order 11308, you established Emergency Board No. 168 pursuant to Section 10 of the Railway Labor Act, as amended. On October 5, 1966, you appointed the undersigned as members of this Board, requesting us to investigate and report on a dispute between Pan American World Airways, Inc., and certain of its employees represented by the Transportation Workers Union of America, AFL–CIO.

We have the honor to submit to you the attached report of our findings and recommendations.

Respectfully,

(S) DAVID H. STOWE, *Chairman.*
(S) CHARLES M. REHMUS, *Member.*
(S) JERRE S. WILLIAMS, *Member.*

REPORT TO THE PRESIDENT BY THE EMERGENCY BOARD

Appointed by Executive Order No. 11308, dated September 30, 1966, pursuant to Section 10 of the Railway Labor Act, as amended.

I. INTRODUCTION

On September 30, 1966, the President of the United States, by Executive Order, and pursuant to Section 10 of the Railway Labor Act, as amended, created this Emergency Board No. 168 to investigate and report on a dispute which threatened substantially to disrupt interstate and foreign commerce. The dispute is between Pan American World Airways, Inc., and the Transport Workers Union of America, AFL–CIO, Air Transport Division.

On October 5, 1966, the President appointed as members of the Board: David H. Stowe of Bethesda, Md., Chairman; Charles M. Rehmus of Ann Arbor, Michigan, Member; and Jerre S. Williams of Austin, Texas, Member.

The Board convened in New York City, New York, on October 12, 1966 and then recessed. For the next several days informal discussions were held by the Board with the parties. Five days of formal hearings were held, beginning on October 18, 1966. The record of the proceedings consists of approximately 1,000 pages of testimony, together with 256 numbered exhibits. The Board wishes to express its appreciation to the parties for their cooperation in participating in the informal discussions which in turn enabled the formal hearings to be completed in five days.

II. BACKGROUND OF THE DISPUTE

The Transport Workers Union of America, AFL–CIO, represents nearly 12,000 of the approximately 37,000 employees of Pan American World Airways. The Union has three contracts with the Carrier: a maintenance agreement covering approximately 8,900 mechanics and ground service employees, a flight service agreement covering approximately 2,500 stewards, stewardesses and pursers, and a port stewards agreement covering about 400 non-flight employees who handle stores materiel for aircraft. In accordance with the terms

of their present agreements, the parties exchanged notices of intended change under Section 6 of the Railway Labor Act at the end of May 1966. As the first step toward negotiation of new contracts, the parties held joint meetings between June 7 and June 27, 1966. On June 27, 1966, the Carrier applied to the National Mediation Board for mediation services, and the Board docketed the dispute as Case A/7841 on June 30, 1966. Arbitration was proffered to the parties by the NMB on August 25, 1966, which offer was accepted by the Carrier and declined by the Union. On September 1, 1966, the NMB terminated is official services. Subsequent negotiations between the parties were unavailing, and a strike deadline was set. On September 30, 1966, the President issued Executive Order 11308 establishing this Emergency Board, which action delayed any work stoppage.

The parties' negotiations, the mediation efforts in this dispute, and the work of this Board have been carired on against the background of two major disputes in the airline industry that preceded it. Each has involved airline mechanics, as well as some other classifications of employees. The first was a protracted dispute between the International Association of Machinists and Aerospace Workers, AFL–CIO, and five trunk airlines operating in the United States. The IAM dispute was processed through the negotiation, mediation, arbitration-proffer procedures, and the emergency board procedures of the Railway Labor Act. Negotiations on the basis of the recommendations of Emergency Board No. 166, appointed in that dispute, proved fruitless. The IAM struck the five carriers for 43 days in July and August 1966. The final settlement was reached after extended collective bargaining between the parties.

During and subsequent to this dispute, the TWU, which represents, among others, the mechanic and ground service classifications of employees of American Airlines also was engaged in negotiations with that carrier. This second major dispute, between TWU and American Airlines, was also processed through the procedures of the Railway Labor Act. On July 27, 1966, during the IAM strike, Emergency Board No. 167 was appointed in the American Airlines dispute. Emergency Board No. 167, in its report filed on August 27, 1966, made no recommendations as to the amount of the wage or fringe settlements that it thought appropriate, since the Board felt specific recommendations would jeopardize negotiations between the parties that were then taking place. These talks did lead to a negotiated agreement prior to the strike deadline.

In light of all of these events, which clearly had a significant impact upon the timing and strategy of the parties to the present dispute, the parties' negotiations were episodic and less than thorough. While

numerous negotiating sessions were held, they were often brief as each party considered its position in light of concurrent developments in other air carrier negotiations. Under these circumstances, it is hardly surprising that no agreement was reached.

These events form the parameters within which this Board has found it necessary to consider its report and recommendations. On the one hand, the American Airlines settlement with TWU involved substantial wage and fringe increases, particularly for a period of severe inflationary pressures in the economy. While its costs will probably not be passed on directly to consumers in the form of rate increases, we are concerned with its precedential impact upon the general level of future wage settlements. On the other hand, we cannot ignore the fact that it was made, and made through the processes of free collective bargaining. To recommend a significantly lesser settlement to TWU in its dispute with Pan American would clearly be impractical, at least if viewed in terms of the realities of industrial relationships.

The present Pan American-TWU negotiation is unlike other negotiations in the industry in one important respect. It covers not only ground service personnel, but flight service personnel as well. In a sense, the present dispute is two disputes, covering some issues common to both groups, but with many issues which are unrelated. In the area of working rules the flight service proposals require separate analysis and are dealt with separately in this report.

The recommendations of this Board are designed to meet the proper concerns and aspirations of the parties, and at the same time to take account of the public interest in a peaceful settlement that does not add substantially to inflationary pressures.

III. AIRLINE MECHANICS AND GROUND SERVICE EMPLOYEES—PORT STEWARDS AND SENIOR PORT STEWARDS

A. Wages and Duration of Agreement

Union Proposals No. 13 and 14; Carrier Proposal No. 14

The Union in its Section 6 notice originally requested a 30 percent wage increase with a contract duration of two years, July 1, 1966, to July 1, 1968. During the negotiations which followed, and through later mediation sessions, various approaches to a possible settlement were suggested by both parties; TWU, however, did not offer any written modification of its position. At the hearing before this Board, the Union affirmed that it stood on its original Section 6 notices. The

Carrier presented for the record the various counter-proposals it had made in writing to the Union during the negotiations.

In what may be considered its last offer, dated September 19, 1966, Pan American proposed wage increases of five percent on July 1, 1966, five percent on July 1, 1967, and five percent effective July 1, 1968, the term of the contract to be for three years.

In broad terms, the Union's principal arguments in support of its wage demands were: (1) that substantial wage increases are necessary to correct what the Union believes to be a significant lag in the wages of mechanics in particular, and airline employees in general, behind those of comparable employees in other industries; and (2) that recent changes in methods and equipment in the airline industry have resulted in an increase in productivity, the benefits of which the employees are entitled to share.

The Union presented extensive data showing that prevailing wages for similar skills in New York and San Francisco, where a majority of the employees in this dispute are stationed, are well in excess of Pan American's rate for aircraft mechanics. The wage rates for auto mechanics, whose work the Union contends in less responsible in terms of potential effects on safety, were shown to be substantially higher than current rates paid by this carrier for aircraft mechanics. To confirm its position on increased productivity, TWU cited a study recently released by the Bureau of Labor Statistics which showed that output per employee in the air transportation industry has more than quadrupled from 1947 to 1964, increasing at an average rate of 7.8 percent per year. The Union claims the comparable figure for Pan American is 10.2 percent per year. Moreover, the Union asserts, Pan American's productivity has increased 12.5 percent annually over the last five years. It is the Union's belief that a considerable portion of this increase in productivity can be attributed to the effort and skills of the employees involved and, as a result, the Carrier is in a position to meet substantial increases in wage rates.

Essentially, the Carrier argued that employees of Pan American have in the past enjoyed wages and work rules superior to their counterparts in the airline industry generally and that, with the Carrier's offer in respect to wages and other benefits dated September 19th, this relationship would continue. Moreover, as an international carrier, Pan American's competition is not with domestic airlines. With the exception of three other U.S. carriers that conduct major international operations Pan American competes primarily with foreign carriers who operate under substantially lower wage rate schedules.

The Carrier pointed out that even in the last three calendar years, which are by far its best years in terms of profit, these profits were

below 10½ percent, the level considered by the Civil Aeronautics Board as "fair and reasonable."

Virtually all of the labor agreements covering ground personnel in the air transportation industry have been opened in the last few months. The negotiations have been marked by turbulence and the settlements have clearly established a series of substantial wage adjustments in the industry. Pan American is the last of the major airlines to be involved in similar negotiations. Against such a background, this Board must find the new contracts in the industry a compelling factor in its considerations.

The settlements in the other airline disputes were the result of agreements reached by the parties through collective bargaining, though initially they, too, were involved in prolonged disputes. Collective bargaining is the accepted means, recognized in our laws, of determining industrial practices in this country. Emergency Board procedures are not intended to supplant collective bargaining but rather to help the parties resolve the issues between them in a manner acceptable to both sides. In this respect, Emergency Boards are an extension of the collective bargaining process through which interruption of work can be avoided when settlements prove difficult. For these reasons, the Board has given great weight to the collectively bargained agreements in this industry in reaching its decision on the wage issues.

We have also given consideration to the evidence of wages paid for comparable skills in other industries, to studies of productivity in the air transportation industry, and to the recent trend in the cost of living, particularly in the cities where most of the employees here involved are stationed. Uniform wage rates fixed by national bargaining can create inequities among employees located in different sections of the country due to variations in the cost of living. Emergency Board No. 167, in its report to the President on the American Airlines dispute, noted the effect of this factor in its comment on the wage structure of the domestic airlines industry that ". . . the price-wage levels vary from area to area within the United States. The airline industry wage levels are fixed on a uniform nationwide basis. The mechanic at the San Francisco station is thus at a substantial disadvantage in his wage-price environment as compared to his counterpart at Memphis."

This comment does not apply with any force to the employees involved in this dispute at Pan American. The Carrier is wholly engaged in international flights and has no domestic route structure. These employees, therefore, are stationed almost entirely at cities which are ports of entry into the United States. For example, 96

percent of its Group 1 employees—inspectors, mechanics, and mechanics helpers—are located in New York, San Francisco and Miami; approximately 90 percent of the flight service employees involved in this dispute are located in the same three cities and 75 percent of the Group 2 ground service personnel are based in these three cities.

All studies of comparative costs of family budgets have shown New York and San Francisco to be above the national average for large cities. Similar data are not available for Miami. It is clear, however, that a majority of the employees here involved reside in cities where the cost of living is substantially higher than the national average.

The Board is deeply conscious of its responsibility to the public interest. That interest will not be served by the further disruption of airline operations which would occur if this dispute continues unsettled. Moreover, there has been no evidence of pressures for rate increases resulting from any of the prior settlements in this industry. The high rate of productivity over the past several years in air transportation creates an economic environment in which wage increases may be above average but price increases need not result.

The Board is not unmindful of the inflationary effects of high wage settlements on the economy and has been influenced in some of its recommendations by this impact. As a practical matter, however, we cannot ignore the fact that this Union has recently concluded through the process of collective bargaining a settlement covering the same type of employees with another major carrier, American Airlines. This settlement included substantial gains in wages and other benefits. It would be unrealistic to assume that a settlement in this dispute could be reached on the basis of recommendations inconsistent with those the same Union has obtained through collective bargaining with this other major carrier.

The Carrier urges that the contract duration should be three years, in keeping with the agreements reached by the IAM and six other major airlines. The Union, on the other hand, cognizant of the rapidly changing technology in this industry with its potential effects on operations, and conscious of current trends in cost of living, has consistently insisted that the contract should not be for longer than two years.

The Board recommends an increase in the present Pan American hourly rates of three increments of five percent each, spaced comparably to the American Airlines-TWU settlement. Further the Board recommends that the contract period be 32 months, and we leave to the parties the question of whether wages should be subject to reopening during the life of the contract based on cost of living considerations.

B. Related Wage Items

Union Proposal No. 1—Shorter Workweek

The Union proposes a reduction in the workweek without a reduction in pay. In support it presented exhibits showing trends in various industries in the direction of workweeks of less than 40 hours. The Carrier demonstrated that the eight-hour day for five days is the standard workweek throughout the airline industry. While the trend toward a shorter workweek may be a desirable long-range objective, it has not been established in this industry. Furthermore, it would amount to a substantial indirect wage increase. The Board recommends that this proposal be withdrawn.

Union Proposal No. 2—Increase in Rates of Overtime Compensation

The Union proposes that the overtime rate be increased to double time in all instances where the current contract calls for time and one-half, and increased to triple time where the agreement now calls for double time. The overtime payments in the current agreement between the parties are the same as those contained in the agreements between all other major carriers and comparable employees. Moreover, this Carrier currently provides that the paid meal periods on the afternoon and night shifts are considered time worked for overtime purposes, a practice followed by only two other airlines. Exhibits submitted by the Carrier show that its present overtime provisions compare favorably with those reported in recent studies covering selected major industries. The Board recommends that this proposal be withdrawn.

Union Proposal No. 3—Premium Pay for Saturday and Sunday

The Union proposes that a new paragraph be inserted in the contract providing for time and one-half for work performed on Saturdays and Sundays. In an industry where the nature of the business requires that operations be carried on 24 hours a day, seven days a week, it is not customary to pay overtime for Saturday and Sunday as such. About 33 percent of the employees in the mechanics classifications and 64 percent of the other ground service personnel are normally assigned to work on Saturday. Approximately 30 percent of the mechanics and 62 percent of the other ground service employees are regularly assigned to work on Sunday. Thus, the nature of the airline industry with its need for continuous operation is such as to make the cost of this proposal excessive. The Board recommends that this proposal be withdrawn.

Union Proposal No. 4—Emergency Work Assignments

The Union requests clarification of a provision in the current agreement, Article 5—Emergency Work, which defines the rates of pay applicable under various conditions when an employee is required by the Carrier to engage in emergency work away from his base station. The record of the hearing shows, at page 258, that the Carrier has submitted a proposal on this item which is apparently acceptable to the Union. The Board recommends that the Carrier's proposed clarification of Article 5—Emergency Work be accepted by the Union.

Union Proposals No. 5 and 6—Additional Holidays and Rate of Holiday Pay

In Proposal No. 5, the Union seeks three additional holidays above the present seven, and in Proposal No. 6, asks triple time for all work performed on a holiday. The Carrier, in a counter-proposal, offers to increase the number of holidays from seven to eight and further proposes that the pay for holiday work be increased from the present double time to two and one-half times the straight-time hourly rate. The Carrier's counter-proposal conforms in all respects to the settlements recently made by other major carriers in the industry. The Boad recommends acceptance of the Carrier's counter-proposal.

Union Proposal No. 7—Vacations

The Union proposes that the current provisions for vacations of two weeks after one year, three weeks after five years, and four weeks after 15 years be amended to provide four weeks after five years, five weeks after 15 years, and six weeks after 20 years. An analysis of the vacation provisions of the contracts of the major carriers who have recently completed negotiations shows the vacation provisions of Pan American to be superior to those in the other airlines, except for American Airlines where equality with the current Pan American provisions will be reached on January 1, 1967. Further, a Bureau of Labor Statistics survey of paid vacations for plant and office workers in all metropolitan areas (1962–64) shows the current vacation structure of Pan American to be among the more liberal. The Board recommends that this proposal be withdrawn.

Union Proposal No. 15—Longevity Pay

The Union proposes to amend the current provision for longevity pay. The contract provides an increment of one cent per hour per year after three years of service in a classification to a maximum of ten cents per hour. The requested change would permit the increments to be applied to an employee's total length of service with

the Carrier rather than service in a particular classification. Based on evidence in the record, the present provision appears to be generally in line with industry practice. The Board recommends that this proposal be withdrawn.

Union Proposal No. 16—Shift Differentials

The Union requests an additional ten cents per hour on all shift differentials. Normally about 32 percent of the airline ground service employees are assigned to the afternoon shift and 19 percent to the night shift. An even higher proportion of the Port Stewards are so assigned. The current shift differentials of 11 cents for the afternoon shift and 18 cents for the night shift are identical with those paid by the other major carriers in the industry. The Board recommends that this proposal be withdrawn.

C. Pensions, Health and Welfare

Union Proposal 16—Group Insurance

The Carrier has a group insurance plan which is treated by the parties as one overall plan under Appendix C of the contract but is in two parts. The first of these is group life insurance, and the second is a group medical, hospital, and surgical benefits plan.

The group life insurance program provides life insurance at three times the employee's annual base wages. The Carrier pays the premium on two-thirds of this benefit amount, and the employee pays the remaining third. The plan also provides life insurance wholly at Carrier expense for retired employees equal to one-fourth of the amount of insurance held at retirement. The program is voluntary, and the Carrier provides no insurance to an employee unless the employee agrees to buy the remaining one-third of the total life insurance program.

In the course of the hearing, the Union made its proposal specific by asking that the Carrier make available to all employees, without the necessity of employee contribution, that portion of the present life insurance for which the Carrier now pays. We believe this Union proposal is reasonable.

The Carrier's obligation to furnish retirement life insurance at no additional cost to an employee is related to the current limitation that the employer supplies no life insurance to an employee unless the employee purchases the additional required amount. If this condition upon the Carrier's obligation to purchase life insurance for employees is withdrawn, we believe the Carrier should not then be required to continue the retirement life insurance program. It should be an obligation upon each employee to purchase the amount

of retirement life insurance he needs as part of his purchase of additional insurance under the program.

The Board recommends that the Carrier be obligated to supply life insurance to all of its employees in an amount equal to double their annual base pay. In addition, the program should permit employees to purchase group life insurance in additional amounts, at least up to as much as double their annual base pay, such additional insurance to include life insurance after retirement at the employee's option.

The current medical, hospital, and surgical benefits consist of a basic plan in which the employer pays the entire cost for the employee, but the employee pays one-fourth of the cost to cover his dependents, and a supplementary plan in which the employee bears the entire cost both for himself and his dependents. There is no need to go into the detailed benefits involved in the two plans. In general, taken together they are reasonably comparable to those in the industry.

The Union's original proposal asks that the entire cost of the insurance for an employee and his dependents be paid by the Carrier and that the plan also cover retired employees and their dependents as well as employees on medical leave of absence.

During the course of negotiations, the Union also added a proposal for removal of the 70-day limitation on hospital benefits, a lowering of the deductible item of the major medical plan from three percent of the employee's annual wage per illness, but not over $300, to $50 per person with a maximum of $100 per year per family. Further, the Union asks for deletion of the contract reservation to the Carrier of the right to "modify, suspend, or discontinue the [group insurance] plans at any time and to pass on any increase in rates which are assessed against it by the underwriting insurance company."

In negotiations, the Carrier offered to pick up the remaining one-fourth of the cost of covering dependents under the basic medical insurance plan and to pick up the entire cost of the supplementary plan both as to employees and dependents. As part of its proposal, the Carrier agreed to make slight modifications of the supplementary plan to follow a plan which had been worked out by the employees at the Miami Base.

We feel the Carrier's proposal, made in the course of collective bargaining, is in accordance with the modern trends in industrial life and in this industry. Medical and surgical expenses to employees are serious and in many instances can be catastrophic without an effective group insurance plan. Even with an effective plan employees often must bear substantial additional medical expenses, and this constitutes the major justification for having an employer carry the

entire cost of group medical insurance. All-inclusive coverage would, however, be at prohibitive cost. If the employer is to carry the total cost of medical and health insurance for his employees, then the plan must have reasonable limitations and deductible items to keep the cost within reason.

The Board recommends that the Carrier assume the entire cost of the medical and health insurance plans for its employees and their dependents, making those changes in the current supplementary plan which will bring about its compliance with the plan worked out by the employees at the Miami Base. If the Carrier does assume all of the costs of medical and health insurance on behalf of its employees, the Board recommends that no change be made in the present eligibility, benefits and deductible items in the plan.

The Board further recommends that the Carrier not be required to supply medical insurance to retired employees, but it properly should supply insurance to employees who are on medical leave of absence.

The Carrier proposes that the changes in the supplementary plan and the assumption of its cost take place June 1, 1967. The Board, however, feels this delay is not justified and recommends that all changes take place as soon as feasible.

The Union proposes the elimination of the coordination of benefits provision contained in the current medical insurance plan. This provision relates to the common situation where the employee and his family are covered by more than one health insurance program. Coordination of benefits eliminates the possibility of the Pan American plan paying more than a supplementary amount of the total out-of-pocket medical costs to an employee when primary coverage falls under the other plan.

The Board recommends that the coordination of benefits provision be retained as a proper means of avoiding double payment for the same dollar of medical expense under two insurance plans and yet as a means adequately to compensate in the event there is additional insurance applicable to the claim. The Board further recommends the elimination from the contract of the right of the Carrier to discontinue or alter the group insurance program during the term of the agreement.

Union Proposal 12—Pension Plan

The pension and retirement plan provides for approximately equal contributions by employees and by the Carrier when averaged over a period of years. The plan is voluntary, and eligibility is limited to those employees who are 25 years of age or over and have one year

of service. The benefits provided in the plan are as high as any provided in the industry, but the costs of employee contributions are higher than any in the industry, except for one other carrier. Only about 43 percent of those employees eligible to join the pension plan have done so.

The Union proposes that the program be made wholly non-contributory, that the limitation of eligibility to employees who are 25 years or older be removed, and that the program include a permanent and total disability provision.

We are concerned that 57 percent of the eligible employees have not joined the plan and consequently receive no pension contribution from the Carrier. While this is accounted for in part by female employment, nevertheless, it can only be assumed that non-participation by male employees and some female employees is due largely to the size of the contributions required of employees to achieve the current pension levels. Yet we also feel that asking the Carrier to assume the full cost of the present pension levels would be excessive and is far beyond the industry pattern. Only one of the carriers involved in the recent settlements assumes the entire cost of pensions for its eligible employees, and its contribution is less than two-thirds of the contribution which Pan American is now making; and its pension benefits are comparably lower.

The Board is convinced that some adjustment should be made in the employee contribution. A much higher percentage than now of the Carrier's employees should be participating in the pension program and receiving its benefits. We feel that this can be done without placing an undue financial burden upon the Carrier. The Board recommends that the employee contribution to the pension plan be reduced by one-fourth, effective July 1, 1967, without changing current benefit levels. We suggest also that the parties consider a program of progressively lessening employee contributions to the pension plan over a period of years while maintaining adequate benefit levels.

In the light of this recommendation, the Board also recommends that no change be made in eligibility beginning at age 25. The financial obligations upon the Carrier, in view of reduction in employee contribution, would be excessive if the eligiblity age limitation also were removed.

No details of a permanent and total disability clause were presented at the hearing, but the Board recommends such a clause be added.

Union Proposal 10, Company Proposal 14—Sick Leave

The Union proposes unlimited accrual of sick leave. The Carrier requests standardization of the administration of sick leave throughout the entire system, creation of a one-day waiting period before sick

leave benefits are payable, and elimination of payment for unused sick leave. The current contract provides a maximum of 60 days accrual of sick leave at a rate of one day for each month of service. Some details of the administration of the sick leave provisions vary from division to division. At present there is no provision for delay before sick leave is paid. Also, the contract provides for payment in a lump sum to each employee of $10 per day of unused sick leave up to a total of 12 days in a calendar year, making a maximum of $120.

We understand that during the course of negotiations the parties may have reached at least a tentative agreement to increase the maximum accrual of sick leave from 60 to 70 days. In any event, the Board recommends that the 70-day maximum be accepted.

We feel that there has been no showing of the necessity for a one-day waiting period before sick leave pay begins, and we recommend that this Carrier proposal be withdrawn. We do recognize the need for standardization in the administration of the sick leave provisions throughout the system. The Board recommends this proposal be accepted by the Union.

The Board also recommends that the cash payment for accrued sick leave up to a maximum of 12 days in a year be retained. The amount of money involved is not great, and the provision does have at least some effect in discouraging the misuse of sick leave.

D. Other Union Proposals

Union Proposal No. 8—Promotion of Mechanic Helper

The Union proposes that the contract provision authorizing promotion of a Mechanic Helper to Mechanic only after 12 months as Helper be eliminated. It is the Union's position that when the Helper passes the test for promotion this should establish qualification without a set minimum period in the helper classification. We find no persuasive reason why the present time requirement should be eliminated. The Board recommends that this proposal be withdrawn.

Union Proposal No. 9—Shop to Shop Transfer

The Union proposes to amend Article 9(e) to provide opportunity to transfer from shop to shop by bid before any new employee is hired or system bid is implemented. The Union, on page 261 of the record, indicates that the Carrier has offered adjustments in this provision which appear to be acceptable to the Union. The Board recommends that the clarification proposed by the Carrier be accepted.

Union Proposal No. 11—Successor Clause—Guided Missile Range Division

The Union proposes the inclusion of a successor clause in the contract as it relates to the employees at the Guided Missile Range Division. This installation, at Cape Kennedy, is operated by the Carrier under a Federal Government contract. While successor clauses are common in collective bargaining agreements when the company has control over the sale or other transaction which creates successorship, the same considerations are not at all applicable where the company is a government contractor and may be replaced by the government. Under these circumstances, the Union's request that the contract include a successor clause would place upon the Carrier a legal obligation which it has no power to carry out. Under these circumstances, the Board recommends that this proposal be withdrawn.

Union Proposal No. 18—Port Stewards

The Union proposes an amendment to a Letter of Understanding dated August 25, 1964, which committed the Carrier to assign a Senior Port Steward at Dulles Airport, at Friendship Airport, and at the Philadelphia airport. During the course of negotiations it became clear the Union was asking to confirm the assignment of a Senior Port Steward to Wake Island and bring about such an assignment at O'Hare Airport, Chicago, and at the Boston airport. The need for additional personnel is basically a matter for the Carrier in the administration of its affairs. While the Union is properly concerned, it is far preferable to work out such details by informal negotiation and agreement such as was achieved in the letter of August 25, 1964. The Board returns this issue to the parties.

The Board also returns to the parties for further consideration the Carrier's suggestion, made in its Exhibit No. 170, that the duties and responsibilities of Port Stewards and Senior Port Stewards be redefined.

E. Other Carrier Proposals

Carrier Proposal No. 1—Arbitration of New Contracts

The Carrier strongly urges that the new contract contain an agreement for final arbitration of all unresolved issues in future contract negotiations. The Carrier points to the fact that such proposals have been accepted and incorporated in other collective agreements between it and other of its employees. The Union has opposed this proposal throughout. We are sympathetic with this search by the Carrier for a means to avoid the work stoppages which grow out of the inability of parties to reach final agreement when a new contract is being bar-

gained. We also recognize the importance of maintaining continuous and uninterrupted service by Pan American, an important part of the world transportation system.

The Board must conclude realistically, however, that such a provision departs from the fundamental philosophy of collective bargaining unless it is agreed to voluntarily and without reservation by both parties to the contract. The Board believes it should not attempt by its recommendation to bring about this major change in the nature of the relationship between the parties. This is a matter wholly for the voluntary consensual bargaining of the parties, and hence it is not made the subject of a specific recommendation in this Report.

Carrier Proposal No. 2—Overtime Distribution

The Carrier proposes to amend the present provision for distribution of overtime assignments to permit greater flexibility. It contends that this change is necessary for a practical and equitable administration of overtime distribution. Further, the Carrier points out that agreements similar to its proposal have been reached on a local level at its Cape Kennedy, San Francisco, Honolulu and New York bases. The Board recommends that this proposal be accepted.

Carrier Proposal No. 3—Observance of Saturday Holidays on Friday

The Carrier proposes that when holidays fall on Saturday those employees whose regular days off are Saturday and Sunday observe the holiday on Friday rather than on Monday as the contract now provides. Holidays falling on Sunday will continue to be observed on Monday. The Board views this change as reflecting the much more common industry practice and recommends its acceptance.

Carrier Proposal No. 4—Inter-Base Transfers

The Carrier seeks to amend the contract provisions covering inter-base transfers of mechanics to include a procedure through which opportunities for lateral transfers can be insured for senior employees. The Carrier points out that its proposed change incorporates into the contract a procedure which, with one exception, now exists under a memorandum of understanding between the parties. The memorandum limits the eligibility of probationary employees for promotion, a condition the Carrier would remove since half of all vacancies are available for transferring employees in any case. The Board recommends the proposal be accepted.

Carrier Proposal No. 6—Notice of Layoffs

The Carrier proposes to amend the contract to add additional situations where there is no need for notice in the case of layoffs. As

proposed, notice will not be necessary in any of the following situations: Acts of God, strikes, picketing, or work stoppages by any employees or group of employees. Industry practice generally provides relief from a requirement to give full notice of layoffs if the cause is a work stoppage or other condition beyond the company's control. The Board recommends that this proposal be accepted.

Carrier Proposal No. 7—Meal Hour Scheduling

The Carrier proposes, in effect, an additional half-hour meal period to begin at the end of the fifth hour of an eight-hour shift. The contract now authorizes scheduling half-hour meal periods over the fourth and fifth hours of a shift. We believe it is reasonable to require the Carrier to provide meal periods which are begun and completed within the two-hour period in the middle of an eight-hour shift. The Board recommends that this proposal be withdrawn.

Carrier Proposal No. 8—Shift Assignment

The Carrier proposes to amend the contract to provide that assignments to training or to a shift following training shall not be considered a shift change within the meaning of Article 3(i) which requires five days' notice. The proposal appears to facilitate the effective administration of training programs, and the Board recommends its acceptance.

Carrier Proposal No. 9—Daily Rest Periods

The Carrier proposes a provision that the two daily rest periods should not exceed ten minutes each. The Board does not consider that the evidence in the record shows a sufficient basis on which to make a recommendation and returns this issue to the parties.

Carrier Proposal No. 10—Field Adjustment Board Jurisdiction

The Carrier proposes that the Adjustment Board Agreement, Appendix 13, be amended to provide that Field Board jurisdiction be limited to cases involving discipline, discharge, or qualifications of individuals, leaving to the System Board of Adjustment all other disputes over the application of contract terms. The purpose of this proposal is to limit the Field Boards to specific grievance issues and insure uniformity through centralized decision of issues of a general nature. The Board believes that the proposal has a sound and reasonable basis and recommends its acceptance.

Carrier Proposal No. 11—Holiday Observance on Night Shift

The Carrier proposes to amend the GMRD understanding to provide that, with the exception of Thanksgiving, employees whose shifts

start between 11:00 P.M. and 11:59 P.M. shall observe their holiday on the holiday eve rather than the night of the holiday. The proposed change conforms with existing provisions in other labor agreements at Cape Kennedy, and in the aerospace industry generally. The Board recommends acceptance of this proposal.

Carrier Proposal No. 12—Red Circle Rates—GMRD

The Carrier proposes elimination of red circle rates paid to certain employees at GMRD under a Memorandum of Agreement dated October 4, 1957. The rates originally established were six cents above the classification maximum. Since that time, as general increases have raised the pay rates of other employees, the red circle rates have not been absorbed but have continued as an override; thus these are no longer true red circle rates. A total of 46 employees remain in the so-called red circle group. We see no justification for the long time continuation of above-maximum rates for a select group of employees. The Board recommends that the rates be eliminated during the life of this contract and suggests that the six cent differential be reduced by two cents at the time each of the next three general wage increases becomes effective.

Carrier Proposal No. 13—Meal Periods, GMRD

The Carrier proposes that the GMRD Understanding be amended in paragraph 8 to reduce the stated meal period from 45 minutes to 30 minutes. The Carrier showed that the 45-minute period was instituted when meal facilities were inadequate and that a 30-minute meal period has been in effect since 1960. The stated 45-minute meal period has been a source of confusion to new employees. The Board recommends that this proposal be accepted.

IV. FLIGHT SERVICE PERSONNEL

A. Introduction

The third of three contracts involved in the present dispute covers the group of employees of Pan American World Airways who are engaged in flight service. Essentially, these employees serve as cabin attendants during flight. The classifications involved are Steward or Stewardess and Purser. Additionally, an employee from within these classifications who is assigned to evaluate the performance of some other employees is known as Check Steward, Check Stewardess or Check Purser. Check personnel are part of the bargaining unit, but receive $25 per month additional compensation for their additional responsibilities.

Flight service personnel make up approximately 25 percent of all Pan American employees involved in the present negotiation and 6.8 percent of the total employment of the Carrier. Almost half of these employees have their home station in New York City where they serve the Atlantic and Latin American flights of the Carrier. Another quarter are stationed in San Francisco, serving the Pacific and polar flights to Europe. Twenty percent are stationed in Miami, serving Caribbean and South Atlantic flights. Small additional groups of flight service personnel have their base assignments in Honolulu, Seattle and Houston. Total employment in the flight personnel category has increased by 40 percent in the last several years.

The existing Pan American flight service contract became effective on October 29, 1964. It was opened for modification and amendment both by the Carrier and by the Union prior to June 30, 1966 and both parties have made a number of proposals for changes in the existing contract.

During the course of negotiations preceding the appointment of this Emergency Board, some discussions were held by the parties on the flight service proposals. On June 24, 1966, the Carrier made a counterproposal to the TWU regarding the pay and working conditions of flight service personnel. Subsequent to this, on September 19, 1966, the Carrier proposed to the Union that the same improvements in wages and fringe benefits that were negotiated for the other categories of employees in the dispute be made applicable to flight service personnel.

In truth, however, it cannot be said that the parties devoted extensive time or analysis to the flight service issues involved in this dispute prior to the appointment of this Board. The Board undertook informal conversations with the parties during the week preceding its formal hearings and much of the Board's time during this period was directed toward problems involving flight service personnel. Some issues were tentatively resolved in these conversations and the areas of disagreement in regard to others were narrowed. Nevertheless, many issues involving these employees remain open and must, therefore, be dealt with separately in this report. This section of the report will not deal with the basic wage and fringe benefits of flight service employees, since the Board deems it appropriate to recommend the same wage and basic fringe improvements for flight personnel that we have recommended for other categories of employees earlier in this report. Union Proposals 3 and 15, 13 and 18 for flight service are handled under Union Proposals 13 and 14, 12, and 16 respectively of the ground service section of this report. Carrier Proposals 1, 8,

and 9 for flight service are dealt with similarly under Carrier Proposals 1, 10, and 14 for ground service. This section, therefore deals primarily with the working rules issues involving these employees. These problems are unrelated to the other settlements in the industry that have taken place during 1966, since flight service contracts of the other carriers were not open.

The recommendations which follow group some of the categories of proposals of both of the parties; for example, those of both Carrier and Union which relate to hours on duty and work assignments. Other individual proposals of both parties must be dealt with separately, and some specific individual issues are being returned by us to the parties for further negotiation. The numbering of proposals which follow relate to the parties' original opening notices of the Flight Service Agreement.

B. Work Assignments and Hours on Duty

The TWU has made four proposals to the Carrier involving the general area of length of work assignments and hours on duty. Union Proposal 5 is to amend the present contract to provide that the calendar monthly flight time of cabin attendants shall not exceed 75 actual flight hours in a calendar month. The present contract calls for 85 hours per month as the normal flight time.

Union Proposal 6 to modify the present flight service contract, proposes that when a time zone change of five hours or more is involved in a flight, flight service employees shall be guaranteed a minimum of 32 hours of rest. The present contract states that adequate rest is normally construed to be a minimum of 12 hours between arrival and departure (block to block), and to include a minimum of 8 hours at a hotel or layover facility.

Union Proposal 8 is to add a paragraph to the contract to provide that 8 hours be the maximum scheduled flight time and 12 hours the maximum scheduled duty time in any 24 hour period. The present contract is silent on this subject, except as noted in the paragraph above. Finally, Union Proposal 17 is to modify an existing appendix to the contract, specifying a minimum total of 36 rest days in each calendar quarter, to a minimum of 12 rest days per month.

Two Carrier proposals for flight service employees relate to the subject of hours on duty or work assignments. Carrier Proposal 3 is to amend the contract to provide that, when agreed upon by the Carrier and the Union, the Carrier may assign employees to flights on two or more consecutive days when the total flight time falls within the range of 2 to 12 hours inclusive.

Carrier Proposal 7 is complex, but would specify the Carrier's right to consolidate work assignments at any single geographical location where more than one base is located, with common bidlines, common flight and scheduling policies and practices for all flight service employees in the geographical location. In substance, this proposal is to eliminate a practice which now exists whereby a given group of flight service employees "own" the right to fly a particular group of flights to specific areas of the world, even though other qualified employees are located at the same geographical location. The Carrier asks the right to assign all employees at a given location to any flight or group of flights which originate at the location, and to operate portions of particular flight patterns with personnel from more than one flight base.

Involved in all of these issues, to one degree or another, is the question of whether the work that is now being required of flight service personnel is unduly burdensome upon employees. The Union argues strongly it is unreasonable that its members are being scheduled to work over 12, up to 14 and even 16 hours at a time. They point out that scheduled flight times on non-stop flights run from 8 to 10 hours, during most of which cabin attendants are on their feet, and that the impact of the modern jets upon working conditions and duty periods has been substantially to increase the burden of work required of flight service employees. Moreover, the Union notes that modern flying schedules permit the crossing of many time zones in a single non-stop flight or scheduled flight pattern, with consequent severe impact upon employees' personal and physical well-being. It points to recent studies of the effects of disruption of the so-called diurnal or metabolic clock, and suggests that the only means of re-establishing an individual's physical balance under these circumstances is longer periods of uninterrupted rest. Finally, the Union points out that the existing contracts, while guaranteeing flight service employees rest over a quarterly period, do not guarantee that employees will get adequate rest in any particular month.

The Carrier replies to these contentions by noting that modern international jet flight schedules require more multiple time zone flights. They note that the total flying hours per month of flight service employees are not excessive, at least by industry standards generally, and that employees who fly extended patterns and the greatest distances also receive the greatest amount of time at home per month, and the greatest monthly compensation. The Carrier cites studies to show that its percentage of layovers under 16 hours between flights has declined during the last two years and that it is, in fact, paying more flight credit hours for 24 hour layover periods than it did

two years ago. Finally, the Carrier argues that the rules proposed by the Union would result in immense additional costs for layover crews because of the resulting rigidities and limitations in their flight scheduling.

We will deal with the various Carrier and Union proposals in this area separately, but in light of the foregoing considerations.

Union Proposal 5

This proposal is to reduce the normal flight time hours of flight service personnel from 85 to 75 per month. It is not in conformity with existing practice among international carriers, and would have the result of substantially increasing employees' overtime earnings under circumstances where there would be no possibility that the Carrier could significantly reduce total hours flown by individual employees. Thus, the proposal would either result in a substantial hidden wage increase, or require the employment of large numbers of new flight service attendants. Employees are adequately protected against excessive flight time requirements by the present contractual limitation of a maximum of 255 flight time hours per calendar quarter. The Board recommends that this proposal be withdrawn.

Union Proposal 6

This proposal would require a minimum of 32 hours of rest for employees making a five or more hour change in time zones in a particular flight schedule, and is based on considerations involving physical upset resulting from disruption of personal metabolism. The members of this Board are aware of the problems of employees whose work requires them regularly to adjust to time disruptions. Many travelers encounter the problem of adjustment to substantial time differentials involved in transcontinental and transoceanic flights. Nevertheless, we do not recommend that the employee proposal be accepted.

Crossing of many time zones occurs in transatlantic flights, polar flights and Pacific flights of Pan American. To require the Carrier to institute a minimum of 32 hours rest for every crew making such flights would require an additional annual expenditure of four million dollars for layover crews. Moreover, the present state of medical multiple time zone crossings is incomplete and conflicting. Available evidence suggests that some people suffer no disruption, a larger number suffer minor disruption, and a minority find the disruption severe. No evidence is available to us on the question of whether employees who must repeatedly and frequently cross many time zones find their problems of adjustment easier or whether, in fact, the adjustment problems are cumulative. The Federal Aviation Agency has

existing statutory authority to promulgate rules requiring extended rest periods for employees affected by these circumstances and has not seen fit to do so.

Multiple time zone crossing is a normal condition of employment for flight service personnel of international carriers. They should not be subjected to excessively long duty periods and should, of course, receive as much rest at intermediate bases as is commensurate with reasonable flight scheduling. To require the Carrier to institute 32 hour rest periods at intermediate layovers would have the effect of keeping flight service personnel away from their home bases for much greater periods than they are now away, and would run counter to the employees' general objective of maximizing time free of duty at home bases. The Board recommends that this proposal be withdrawn.

Union Proposal 8

The Union proposes maximums of 8 scheduled flight hours and 12 scheduled duty hours in 24 hour periods. While flight hours and duty hours are not fully interchangeable, we feel that duty hours, the entire time when employees are required by the Carrier to be flying or at certain locations, should be the primary consideration. Evidence was placed in the record showing that some employees presently have duty schedules far exceeding 8 hours a day, frequently running over 12, 14 and even 16 hours on duty in a 24 hour period. Even though total duty hours in a week, or a month, are not excessive for flight service personnel, we nonetheless feel that hours on duty in a 24 hour period should be limited.

The Board recommends as a minimum that the contract contain a flat prohibition against scheduled duty hours exceeding 16 in a 24 hour period. We further suggest that studies be made of possible scheduling changes to work toward a daily maximum of 15 or 14 hours in the future. Further, when lower general maximums are achieved, if certain schedules make it unfeasible to limit duty hours to those maximums, we suggest that the Carrier give consideration to carrying an extra or relief cabin attendant in the flight crew to reduce the work burden upon the crew. Finally, the Board recommends that the Union accept Carrier Proposal 7, dealt with below, which will facilitate the achievement of these objectives.

Union Proposal 17

The Union proposes that the present contract requirement of 36 rest days per quarter be amended to 12 rest days per month. We feel that this proposal would unduly hamper the Carrier in scheduling without substantial resultant benefit to employees. Moreover, quar-

terly balancing of rest periods is customary among international carriers. The Board recommends that this proposal be withdrawn.

Carrier Proposal 7

As discussed earlier, the Carrier proposes a detailed new rule which would authorize the Carrier to consolidate work assignments at a single geographical base, to reassign flight rights among the bases, and to operate portions of a flight pattern with personnel from more than one base. The Carrier states that the effect of these rules would permit closer to optimum operating efficiency. We believe there is substantial merit in the Carrier's proposal and recommend that it be accepted by the Union as the quid pro quo for Carrier acceptance of Union Proposal 8 in the modified form which we have recommended be negotiated by the parties. If the Carrier is given the kind of operating flexibility which it seeks, more can be done than at present to ameliorate some of the longer duty assignments of which the Union now complains, and which led to Union Proposal 8.

C. Proposed Rules Affecting Pay

Union Proposal 2

Under their present contract, flight service personnel have their base salary calculated as piston flight pay and receive additional compensation when flight time is in straight jet aircraft. Jet pay is considered a premium and is paid separately from, and in addition to, base salary. Since the time the existing contract was negotiated, and at present, Pan American has become an all-jet Carrier insofar as its scheduled common carrier passenger flights are concerned. The Union proposes that the piston pay base of earnings be deleted from the contract, and that the jet premiums be incorporated into the base pay, with a separate memorandum of understanding covering any special piston operations which the Carrier might wish to operate (as, for example, in its Saigon-Hong Kong rest and recreation operation).

Considering jet pay as premium pay adversely affects employees' personal finances and slightly reduces their contractual fringe benefits. To continue the jet payment as a premium under circumstances where it no longer reflects the nature of the Carrier's operation perpetuates a distinction which has no justification. The Board recommends acceptance of this proposal.

Union Proposal 4

In its original Section 6 notices, the Union proposed that a paragraph be added to the contract to provide guaranteed pay pattern protection (guarantee of payment for the flight schedules bid at the beginning of each month by employees, even though such schedules could not actually be flown), similar to that provided in existing contracts covering flight-deck personnel. During the course of our informal discussions with the parties, the Union modified this proposal to request that employees whose monthly bid schedule was interrupted, through no fault of their own, be allowed to bid other available flights in order to protect their earnings. This procedure is known by them as "open board" bidding, and is now in practice by mutual agreement of the parties at their San Francisco base.

The Board recommends that the parties explore further the operation of the "open board" with a view to making this type of bidding generally operative throughout the system.

Union Proposal 7

At present, flight service employees receive a payment of 50¢ per hour for operational duty hours, defined as those hours when an employee is required to report for flight duty but before the flight leaves, and those hours after a flight has terminated but before an employee is released from duty. In addition, employees are required to compute and file records with the Carrier claiming their payments for operational duty time. The Union requests that the operational duty pay be increased to $1.00 per hour and that the time shall be computed by the Carrier. The Board recommends that no change be made in the present amount of operational duty pay, but we do recommend that the computation be made by the Carrier.

Union Proposal 9

The Union proposes that when a flight service employee is required to report for an assigned flight, and such employee is not utilized, the employee shall be compensated one hour of pay and flight time credit. Under the present contract between the parties, no pay or flight time credit is awarded in these circumstances.

In accordance with general practice in most industries, and the practice established by some other airline carriers, the Board recommends that the parties negotiate a contract clause calling, in these circumstances, for one hour of flight credit for pay purposes only.

D. Training Proposals

In its Proposal 10, the Union asks the Carrier to pay employees for all training except that required by the Federal Aviation Agency and that required of probationary employees. The Carrier, in its Proposal 6, requests a provision which states its right to train employees in any subjects it deems necessary. We believe that the Carrier should have the right to require employees to report for any training the Carrier deems necessary. Related to this, we believe that employees should be entitled to compensation for such training, except in the case of the exceptions that the Union proposes. The Board recommends that the parties negotiate a training clause in conformity with these conclusions.

E. Other Union Proposals

Union Proposal 1

The Board recommends that the Carrier review and clarify the duties and responsibilities of Check Stewards, Check Stewardesses and Check Pursers to ensure that the functions of these personnel are not fundamentally supervisory or disciplinary in nature.

Union Proposal 11

The current contract between the parties specifies that no more than six percent of employees at a location will be required to take a vacation during the months of January, February, November and December. The parties are in disagreement as to whether the six percent limitation includes, or is in addition to, the number of employees who voluntarily request vacations during these months. We understand that the Union in negotiating this clause felt the existing related practice with regard to ground service employees would be followed. The Board recommends the clause in question be clarified to make it explicit that the six percent limitation on involuntary vacations in the months in question shall include the number of employees who voluntarily request vacation time during those months.

Union Proposal 12

The Union requests that Stewards or Stewardesses be provided single rooms at layover stations. This proposal is not in conformity with existing practice in the industry, and would add substantially to Carrier costs at no subsantial benefit to employees. The Board recommends that the proposal be withdrawn.

Union Proposal 14

In its original opening notices, the Union requested that a minimum crew complement be established for various kinds of flight equipment. During the course of negotiations, this proposal was modified to request that two of the four flight service personnel assigned to the Boeing 727 be designated as Pursers, rather than one as is the present Carrier practice. We believe that it is a prerogative of the Carrier to man its planes as it sees fit, so long as its manning meets minimum legal standards, and that the Carrier has the sole right to specify the class and amount of service it wishes to provide to passengers. If the workload assigned to individual employees is unduly burdensome, this is a matter to be decided through use of the grievance procedure. The Board recommends that the proposal be withdrawn.

Union Proposal 16

The Union proposes that a new article be added to the contract to state that the established policies of the agreement and the employment practices of the Carrier would apply without discrimination based upon sex, color, race, creed, or national origin. Unobjectionable though this proposal may appear on its face, Pan American and other carriers are now awaiting a decision by appropriate governmental agencies as to whether sex is a bona fide occupational qualification for flight service employees. We feel that such questions ultimately should be settled by the state and federal equal employment opportunities commissions and by the courts. The Board recommends that this proposal be withdrawn.

Union Proposal 19

The Board recommends that this proposal, that trip insurance be provided to flight service employees, be withdrawn on the basis that we have elsewhere in this Report proposed beneficial changes in employee life insurance.

F. Other Carrier Proposals

Carrier Proposal 2

The Carrier proposes a clause specifying that it may operate temporary bases so long as the duration of anticipated need is indefinite, but that no employee shall be involuntarily assigned to such a base for more than seven months. We think this is a reasonable proposal which provides adequate protection for employees. The Board recommends that this proposal be accepted.

Carrier Proposal 3

The Carrier proposes that it be allowed to schedule employees to work on two or more consecutive days when the total flight time falls within the range of 2 to 12 hours. As noted previously, we think duty time is a more appropriate consideration than flight time in considering total hours worked. Since the clause proposed by the Carrier is a mutual consent clause, however, allowing the Union the possibility of rejecting such assignments, the Board recommends that the proposal be accepted.

Carrier Proposal 4

The Board recommends that this proposal, involving involuntary assignments of employees to flights, be withdrawn on the basis that the present contract seems adequately to cover the subject.

Carrier Proposal 5

We recommend that this proposal, involving assignment of new employees to bases upon completion of training, should be considered and resolved by the parties in joint negotiations.

V. CONCLUSION

It is the Board's considered judgment that the findings and recommendations set forth in this report provide a fair and equitable basis upon which the parties should be able to reach agreement in the settlement of this dispute.

Respectfully submitted.

(S) David H. Stowe, *Chairman.*
(S) Charles M. Rehmus, *Member.*
(S) Jerre S. Williams, *Member.*

October 30, 1966.

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