Report

TO

THE PRESIDENT

BY THE

EMERGENCY BOARD

APPOINTED BY EXECUTIVE ORDER 11121 DATED OCTOBER 9, 1963, PURSUANT TO SECTION 10 OF THE RAILWAY LABOR ACT, AS AMENDED

To Investigate a dispute between the United Air Lines, Inc., and certain of its employees represented by the International Association of Machinists, AFL–CIO

(NMB CASE A–6905)

WASHINGTON, D.C.
NOVEMBER 18, 1963

(Emergency Board No. 156)

LETTER OF TRANSMITTAL

WASHINGTON, D.C.
November 18, 1963.

THE PRESIDENT,
The White House.

Mr. PRESIDENT: The Emergency Board created by you on October 9, 1963, by Executive Order 11121, pursuant to Section 10 of the Railway Labor Act, as amended, to investigate an unadjusted dispute between United Airlines, Inc., and certain of its employees represented by the International Association of Machinists, a labor organization, has the honor to submit herewith its report and recommendations based upon its investigation of the issues in dispute.

Respectfully submitted.

PAUL D. HANLON, *Chairman.*
ELI ROCK, *Member.*
LAURENCE E. SEIBEL, *Member.*

EXECUTIVE ORDER 11121

Creating an Emergency Board to investigate a dispute between the United Air Lines, Inc., and certain of its employees represented by the International Association of Machinists, AFL–CIO

WHEREAS a dispute exists between the United Air Lines, Inc., a carrier, and certain of its employees represented by the International Association of Machinists, AFL–CIO, a labor organization; and

WHEREAS this dispute has not heretofore been adjusted under the provisions of the Railway Labor Act, as amended; and

WHEREAS this dispute, in the judgment of the National Mediation Board, threatens substantially to interrupt interstate commerce to a degree such as to deprive a section of 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 this dispute. No member of the board shall be pecuniarily or otherwise interested in any organization of airline employees or any carrier.

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

As provided by section 10 of the Railway Labor Act, as amended, from this date and for thirty days after the board has made its report to the President, no change, except by agreement, shall be made by the United Air Lines, Inc., or by its employees, in the conditions out of which the dispute arose.

JOHN F. KENNEDY

THE WHITE HOUSE,
October 9, 1963.

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REPORT TO THE PRESIDENT

by the

EMERGENCY BOARD

Appointed by Executive Order Number 11121 dated October 9, 1963, pursuant to Section 10 of the Railway Labor Act, as amended.

I. HISTORY OF THE EMERGENCY BOARD

Emergency Board No. 156 was created on October 9, 1963, pursuant to the terms of Section 10 of the Railway Labor Act, as amended (45 U.S.C. Sec. 160), by Executive Order No. 11121 of the President of the United States; the Emergency Board was directed to investigate and report on certain unadjusted disputes between United Air Lines, Inc., a carrier, and certain of its employees represented by the International Association of Machinists, AFL–CIO, a labor organization.

In due course the President appointed the following as members of the Board: Paul D. Hanlon of Portland, Oregon, chairman; Eli Rock of Philadelphia, Pennsylvania, member; and Laurence E. Seibel of Washington, D.C., member. The Board convened in Chicago, Illinois, on October 21, 1963. Hearings were held on various dates between October 21, 1963, and November 6, 1963, at Chicago and at Washington, D.C. During these hearings the parties were given full and adequate opportunity to present evidence and argument with respect to the dispute before the Board. The Company was represented in these hearings by Mr. Charles F. McErlean, Mr. John R. Hill, and Mr. James A. Sullivan. The Association was represented by Mr. George Christensen and Mr. Frank Heisler. The record of the proceedings consists of 1,178 pages of testimony and argument, and many exhibits submitted by both parties.

Since the creation of the Board, based upon stipulations of the parties, the President has on two occasions extended the time limit stated in the Executive order, and under the last extension the report of this Board is required to be made to the President on or before November 18, 1963.

In discussions with the parties the Board explored the possibility of a mediated settlement of the matters in dispute. However, these efforts were not successful.

II. HISTORY AND BACKGROUND OF THE DISPUTE

The parties to this dispute are United Air Lines, Inc. and those of its employees who are represented by the International Association of Machinists. United is the largest domestic trunk airline and operates 257 aircraft over an extensive route structure serving population areas with a total 1962 population of 86 million. The total number of employees of United is approximately 32,000, and of these approximately 13,000 who are included in District 141 of the International Association of Machinists are involved in this dispute.

The employees represented by the International Association of Machinists are covered by four, separate, collective bargaining agreements designated as the Mechanics Agreement, the Dining Service Agreement, the Ramp and Stores Agreement, and the Guards Agreement. Matters arising only under the first three of these agreements are involved in this dispute. The last collective bargaining agreements executed between the parties were signed March 4, 1961, for a term to and including June 1, 1962.

On May 1, 1962, pursuant to Section 6 of the Railway Labor Act and pursuant to the provisions of the collective bargaining agreements the parties exchanged "Section 6 notices" designating numerous portions of the agreements in which they proposed changes. Thereafter the parties met for a negotiating session on May 28, 1962, and in three sessions between that date and June 5, 1962, the Union outlined and explained its proposals for changes in the agreements. From June 1962 until June 1963 little or no effective negotiation or collective bargaining was conducted between the parties for reasons which will be explained in more detail later in this report.

Commencing in June 1963 effective negotiations and collective bargaining began, and after numerous sessions, finally with the assistance of the National Mediation Board, on August 3, 1963, a mediation agreement was reached. This mediation agreement was executed for the Company by its Senior Vice-President for Personnel, its Director of Personnel, and its Administrative Assistant for Personnel Management, Line Maintenance, and for the Union by the International General Vice-President, the International Airline Co-ordinator, and by the three members of the District 141 Negotiating Committee.

The Constitution of the International Association of Machinists requires that proposed revisions of collective bargaining agreements be

submitted for acceptance or rejection by a vote of all of the individual members affected, and on August 20, 1963, a Union bulletin reported that the membership had voted to reject the agreement by a vote of 7,828 to 2,068.

No further contact between the parties occurred, and on September 6, 1963, the National Mediation Board proferred arbitration to the parties. On the same day the Union declined to accept the proffer of arbitration, and on September 9, 1963, the Board terminated its services under the Railway Labor Act. Subsequently, the Union set a strike date for midnight, October 9, 1963. On October 9 the President issued his Executive order establishing Emergency Board No. 156.

The bare recitation of the chronology of the dispute as set forth above provides little or no clue to the underlying cause of the dispute. The evidence submitted to the Board reveals that there is interwoven in the background of this dispute a tangled skein of events which, in the past eighteen months, have reduced a mature and well-established collective bargaining relationship to a climate of confusion and mistrust in which any realistic and unemotional appraisal of the proposed mediation agreement by the rank and file was virtually impossible. An understanding of the present impasse between the parties requires a brief review and analysis of these unfortunate events.

The collective bargaining relationship between United and the International Association of Machinists dates back to 1945, and during the seventeen-year period from 1945 to approximately January 1962 it appears that a relatively stable and mutually satisfactory relationship had been achieved. It further appears that the unrest which has culminated in the present impasse, in all probability, commenced during 1961 as a result of the merger of the financially ailing Capital Airlines into United. Prior to the merger the IAM had also represented ground employees at Capital, and the eventual merging of seniority lists necessitated numerous geographical transfers of personnel, consolidations of functions and other changes affecting the employees. While these dislocations and readjustments were necessary concomitants of the merger, nevertheless reactions of irritation and resentment from the affected employees of both lines were foreseeable and did in fact result.

The merger also touched off an internal struggle for power and control in District 141. Between May and July of 1962 an election campaign took place to determine the selection of a Vice-President and five Assistant General Chairmen of the District. The incumbents who had gained office as representatives of United's employees prior to the merger were challenged in this campaign by a slate backed and led by Union officials who had served at Capital. After a bitter

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campaign, which further disturbed the internal stability of the bargaining unit, the opposition slate prevailed.

As a result of the internal difficulties of District 141, it also was necessary for the Grand Lodge to appoint a trustee to administer the affairs of District 141, which at this date is still under trusteeship.

We have noted in this chronology that after the exchange of Section 6 notices in May 1962, very little good faith bargaining took place for approximately one year. This hiatus resulted primarily from the effort by the Union, resulting from a resolution adopted at its 1960 convention, to enter into a program of industrywide bargaining on basic cost items in the airline industry. In furtherance of that resolution, when negotiations commenced in May 1962, the IAM officials notified United that they wished to negotiate only a short term contract, expiring on December 31, 1962, which would then have given United a common contract expiration date with the other major trunk airlines and would have set the stage for industrywide bargaining at the time of that common contract expiration. United declined to commence negotiations on that basis, and this preliminary procedural impasse effectively stalled negotiations for a year.

Several attempts were made to resolve this dispute over industrywide bargaining including some extensive activities by the National Mediation Board, but for our purposes it is sufficient to indicate merely that the roadblock was removed, and real negotiations actually got under way, in June 1963 when the Grand Lodge of the IAM agreed to negotiate a new contract with United on an individual company basis.

Other considerations aside, it is clear in retrospect that this delay in bargaining, occurring at the time of growing tension and unrest among the rank and file employee, has been a major contributing factor to the present complex and disturbed state of bargaining relationship on this property.

There is evidence that commencing early in 1963 certain IAM represented employees of United, represented by the IAM, engaged in a concerted refusal to perform overtime work, and that this concerted refusal was instituted for the purpose of bringing pressure on United to accept the Union's proposals for modifications in the collective bargaining agreements. Union employees who declined to join in the concerted refusal were subjected to various pressure. The concerted refusal to perform overtime work was enjoined on September 5, 1963 by the United States District Court in Chicago.

As noted above, actual negotiation on the basic issues involved in the parties' proposals for changes in the contract finally commenced in June 1963 when the Grand Lodge of the IAM released District 141

from the limitations of the convention resolution requiring industry-wide bargaining. Progress in the negotiations was made immediately, and after numerous meetings a comprehensive mediation agreement was finally executed on August 3, 1963, settling all of the issues in dispute.

It is important to note that this agreement was negotiated and signed on behalf of the Union by representatives of both the Grand Lodge of the IAM and the Negotiating Committee of District 141. While it is apparent that all of these Union officials led the Company to believe that they were entering into the agreement in good faith and that they would recommend its acceptance when presenting it to the membership, nevertheless, there is evidence that some of the District officers broke faith with the Company and with the Grand Lodge and either failed to recommend the settlement affirmatively to the membership or, in some instances, recommended its rejection; the Board wishes to emphasize that in its opinion no representative of the Grand Lodge of the IAM was involved or implicated in any way in this conduct. In addition, the evidence is clear that a significant contributing factor to the rejection of the settlement by many of the rank and file was an inadequate understanding of some of its terms, with particular confusion about one section of the wage settlement.

One remaining important episode which occurred prior to the establishment of this Emergency Board should be mentioned to give a complete picture of the highly disturbed relationship which has prevailed on this property in recent months. On August 20, 1963, after the IAM membership had voted to reject the mediation agreement, a local dispute arose between IAM bargaining unit employees and the Company at Idlewild Airport, New York, apparently involving some alleged minor change in refueling procedures. This dispute quickly flared into a strike at Idlewild, and during August 20 and August 21 the strike spread to other points on the United system, namely, Cleveland, Detroit, Philadelphia, Seattle, Portland, and Los Angeles. The Company promptly obtained a temporary restraining order, and the work stoppages were confined to the two-day period.

No evidence has been submitted to indicate that this strike was authorized, directed, or condoned by the officers of either the Grand Lodge or of District 141. After investigation the Company discharged approximately 24 local leaders of District 141 for alleged leadership of or participation in the strike at the various locations.

While both the Company and the Union mentioned the broad outlines of this August strike and the discharges which ensued as an important part of the background of the present dispute, and the Union has asked the Board to recommend the reinstatement of the discharged

employees as an essential element of the peaceful resolution of the dispute, it must be noted that the merits of the discharges have not been introduced or considered in the present proceeding. The issue was not included in the original Section 6 notice filed in this proceeding. The Board understands that in accordance with established contract procedures appeals from the discharges have been filed on behalf of the individuals involved, and if these matters cannot be settled by the parties in the lower steps of the grievance procedure, a final and binding decision will be made by a System Board of Adjustment with the assistance of a neutral and impartial arbitrator. Under these circumstances it is clear that this Board is in no position to pass upon the merits of the pending discharge cases or to act on the Union's request for reinstatement, and we mention the dispute here primarily for purposes of completing the background material.

The mistakes and mis-steps which have occurred in the history of this dispute have been retraced by this Board with regret and reluctance. We conceive it to be one of our important functions to investigate and report to the President and to the public on all of the relevant facts of the dispute. Obviously, the present impasse between the parties cannot be understood without some knowledge of the unfortunate incidents related above. We turn now to the more positive and affirmative functions of reviewing the specific factual issues, of evaluating the positions of the parties, and of making such recommendations as we believe may be warranted and helpful in achieving a peaceful settlement of the matters in dispute covered by the Section 6 notice.

III. DISCUSSION OF THE PROPOSALS

A. General Evaluation of the Mediation Agreement

The mediation agreement of August 3, 1963 represents a lengthy and complete understanding on numerous items in dispute between the parties. It contains detailed provisions under some twenty-three separate headings of subject-matter, as well as providing for withdrawal of other items submitted by both parties.

The separate items of change agreed upon, and the numerous gains to the Union represented by these changes, do not here require detailed presentation. It need only be pointed out that the major items of change, in addition to numerous other lesser but significant gains for the Union, are as follows:

1. A wage increase of 30 cents per hour, over three years, for the great bulk of the employees, and 25 cents per hour for the relatively small number of remaining, lower-rated employees.

2. A comprehensive severance pay plan.

3. An increased shift premium for the employees on certain shifts.

4. An increase in the Company's share of the payment for sickness and accident insurance;

5. Comprehensive and significant changes in the seniority sections of the contract;

6. A provision for the accrual of occupational illness or injury leave in addition to sick leave.

7. An increase in the amount of call-back pay guarantee;

8. A procedure for the review and correction of existing overtime distribution practices in the various locations of the Company.

9. A procedure for the reduction of the number of employees who might otherwise be assigned to work on holidays.

10. The establishment of a single rate for Lead Mechanic, Lead Flight Simulator Technician and Aircraft Inspector at the top of the wage progression, as well as other classification improvements.

Considering the circumstances out of which the present dispute has arisen, and particularly the rejection of the settlement by the membership, the Board recognizes that its present responsibilities require an independent examination of the issues which are now again in dispute between the parties, as well as an evaluation of those issues measured against the terms of the mediation agreement which earlier had been reached.

The Union has raised in the present proceeding some 22 issues for consideration by the Board, some of which had been settled by changes which were agreed upon in the mediation agreement, and some of which had been withdrawn by the Union as part of that settlement. The 22 issues include most of the major items originally in dispute. The Company in turn had raised 2 categories of issues before the Board, which had also previously been resolved or withdrawn as part of the mediation settlement. By agreement of the parties, however, and because of limitations of time, some additional 26 of the original bargaining issues of the Union and 9 of the original bargaining issues of the Company have been withdrawn from the present proceeding on the basis of the prior settlement or withdrawal of these issues.

In evaluating the detailed evidence and argument of the parties on the above 22 Union issues and 2 Company issues now before it, certain conclusions seem clearly to emerge to the Board. A number of items contained in the settlement of August 3, 1963, while reasonable at that time, now require change primarily as a result of the delay occurring from the unforeseen rejection of the settlement by the Union membership, and the need at this stage, in the Board's opinion, to extend the span of the original contract term agreed upon. Further,

by common consent a change is required in order to remove an important source of confusion regarding the wage settlement, which contributed to the rejection of the settlement by the membership. On these particular items, the Board's discussion and recommendations are set forth below.

For the remainder of the settlement, however—and, as of the date of the settlement, even for those items which are discussed below—it is the Board's considered view that the agreement of August 3, 1963 represents a completely fair and reasonable disposition of the issues in dispute between the parties. This conclusion must clearly emerge measured by any of the standards commonly used to evaluate an overall contract arising out of collective bargaining.

The Board has made comparisons of the settlement terms not only in relation to the terms and conditions existing on other airlines, whose contracts for similar classes of employees have most recently been negotiated, but also in relation to other industry and national patterns. As always, individual items will vary from one contract to another, and a particular company or industry may be higher than another in some respects, and lower in others. The present comparison is no exception. On balance, however, there can be no question that the overall picture which emerges from the present contract, as it would be amended by the August 3, 1963 settlement, and assuming in addition that the further changes recommended below are accepted by the parties, is a highly favorable one for the Union.

It is significant in the present case, in connection with some of the nonmonetary items on which the settlement did not provide the gains originally requested by the Union, that the present employees are in one sense singularly situated. Unlike those in numerous if not most other companies and industries, these employees unquestionably have excellent job security. The simple fact is that, rather than laying off people, the present Company has steadily been expanding the size of the work force in this bargaining unit, and there is no indication of a contrary trend in the predictable future. In the light of that fact, such issues of the Union as those relating to supervisory seniority, and classification or bargaining unit claims for certain categories of work, that is to say, basically job security, must clearly have less of an immediate or realistic impact here than for other employees less fortunately situated. This is not to say that the Union will now be left vulnerable on the basis of the existing contract terms dealing with the above matters—the actuality is that it already has considerable protection in most of those areas—but rather that its requested further gains do not have the essential immediacy here that they might have elsewhere.

In the light of all of the evidence before it, and with the exception of the items which are discussed below, the Board therefore recommends to the parties a resolution of the various issues in dispute between them on the basis of the August 3, 1963 mediation agreement, the acceptance of which the Board strongly urges on both sides.

B. Recommended Revisions

1. *Contract Duration*

Under the terms of the mediation agreement of August 3, 1963, the parties agreed to an effective date of June 1, 1962, with an actual prospective application from the date of settlement of approximately 22 months—to June 1, 1965. Patently that expiration date is no longer appropriate in view of the further lapse of time without agreement. In the opinion of the Board, a reasonable period for the prospective application of the terms of any agreement between the parties is essential to assist them to reestablish their previous stable relationship. The Board therefore recommends that the prospective term of any new agreement be for the period from its execution through December 31, 1965, a period of some 24 months after the the expiration of the statutory 30-day waiting period after the date of the Board's report.

It is, of course, obvious that such extension of the prospective term of any new agreement requires that certain aspects of the mediation agreement, which were agreed to in terms of the dates and periods then contemplated, be revised, and that appropriate monetary consideration be given for the additional months, from June 1, 1965 to December 31, 1965, during which it is recommended that the terms of any new agreement be made effective. This will be recommended below.

2. *Wages*

The present rates of pay for the employees here involved became effective on December 1, 1960, and were in effect contractually to June 1, 1962. The approximate weighted average wage rates (excluding longevity and shift differentials) of the employees covered by the Mechanics, Ramp and Stores, and Dining Service Agreements are approximately $2.98, $2.47 and $2.14, respectively. The present wage proposal of the International Association of Machinists requests across the board wage increases of 9 cents per hour effective June 1, 1962, 15 cents per hour effective January 1, 1963, and 15 cents per hour effective January 1, 1964.

The mediation agreement of August 3, 1963 provided for a wage increase of 20 cents per hour effective June 1, 1963 for Group I em-

ployees (which are designated classifications of employees and include all employees covered by the Mechanics Agreement and a substantial number of the employees covered by the Ramp and Stores Agreement). In addition the agreement provided that an amount equal to 4% of the employee's wages be paid for the period between June 1, 1962 and June 1, 1963, but not as part of the basic wage structure. A further 10-cent increase in the basic wage structure was to become effective on June 1, 1964. For Group II employees, which cover all other classifications of employees here involved (a minority of the employees), the mediation agreement provided for a wage increase of 17 cents per hour effective June 1, 1963, with the same 4% payment of the employee's wages for the period between June 1, 1962 and June 1, 1963, and an additional 8 cents per hour in the basic wage structure effective June 1, 1964. In other words, the mediation agreement provided for increases over a period of 3 years, of 30 cents per hour for the large majority of employees (Group I) and 25 cents per hour for a minority of the employees (Group II).

On the basis of the generally recognized and pertinent wage criteria—change in the cost of living and increase in productivity in the economy as a whole or comparable wage rates in the Airline Industry—it is the conclusion of the Board that the wage increases set forth in the mediation agreement are generally reasonable and equitable. The Board does not find that the wage rate of any affected classification is inadequate or inequitable.

It is the Board's further conclusion, with which the parties indicated agreement at the hearing, that the 4% of wages which was retroactive for the period from June 1, 1962 to May 30, 1963 under the mediation agreement, was confusing to the rank and file. In the interest of clarity then, the Board has converted this 4% of wages into cents-per-hour. The Board also now recommends an additional increase, proportionate to the average 10 cents or 8 cents per year agreed upon in the mediation agreement, for the added contract span proposed by it above.

The Board therefore recommends that for a contract period to December 31, 1965, the rate of pay for the classification of employees in Group I and Group II, respectively, as set forth in the mediation agreement, be amended and increased as follows:

Group I:

Effective June 1, 1962	12 cents per hour
Effective June 1, 1963	8 cents per hour
Effective June 1, 1964	10 cents per hour
Effective June 1, 1965	6 cents per hour

Group II:

Effective June 1, 1962	9 cents per hour
Effective June 1, 1963	8 cents per hour
Effective June 1, 1964	8 cents per hour
Effective June 1, 1965	5 cents per hour

In substance, the Board recommends wage increases over a period of some 43 months, of which approximately 24 months are prospective, of 36 cents per hour for the Group I employees and 30 cents per hour for the Group II employees.

3. *The Premium for the Afternoon Shift and the Day-Afternoon Relief Shift*

By the agreement of August 3, 1963, the parties increased the existing night shift premium by 3 cents, from 15 cents to 18 cents per hour. In addition, they raised the premium for the afternoon-night and night-day relief shifts by 3 cents, from 18 cents to 21 cents per hour. These items are not now in dispute. Left unchanged, however, were the existing 9 cent premium for the afternoon shift and the existing 13 cent premium for the day-afternoon relief shift. Approximately 18% of the employees are in the latter two categories.

The evidence supports a finding that on the last occasion when an increase was granted in the premium for any of the shifts here, it was granted, in some amount, to all of them. While the existing premium for the afternoon shifts is not out of line with that paid on other domestic airlines, the prior "internal" practice on this airline, in the opinion of the Board, deserves to be maintained. The additional cost to the Company on this score is justifiable, in the Board's view, on the basis of the added length of the contract which the Board has recommended above. This change will also correct an aspect of the settlement which in the Board's view set up a focus point for objections well out of proportion to the value of the issue involved.

An increase of 2 cents per hour for the afternoon shift, raising it from 9 cents to 11 cents per hour, and of 3 cents per hour in the day-afternoon relief shift, raising it from 13 cents to 16 cents per hour, will accord with the amounts of increases granted to these same two shifts by the parties themselves on the last occasion, in 1960, when the remaining shifts were also each increased by 3 cents per hour. The Board therefore recommends to the parties an agreement that the premium for the afternoon shift be raised by 2 cents per hour and the premium for the day-afternoon relief shift be raised by 3 cents per hour, in addition to the already agreed-upon increase for the remaining shifts. The shift premium increases herein recommended should become effective at the same time as the shift premium increases already agreed upon become effective.

4. *Distribution of Overtime*

The mediation agreement provided, on this item, that a joint union-management committee would be established "to hold informal field hearings or investigations, especially in locations where there has been a problem with overtime distribution, for the purpose of tailoring corrections in overtime distribution."

The Board is persuaded that this procedure was agreed upon by the Company with a good faith intent to meet some of the existing complaints on this subject, and it is of the opinion that the procedure, if given a chance, can go far towards easing this overall problem in a fashion consistent also with the Company's own needs and objectives.

To that procedure, the acceptance of which the Board urges, the Board however would recommend this addition: It is apparent that while the existing overtime "balances" of the employees are currently being posted in many or most of the Company's stations, this practice is not followed in all locations. Although it is recognized that even in those stations where the balances are not posted the employees may see such balances on request, it is the Board's view that the problem in such locations will be substantially eased if the lists are actually posted.

The Board therefore recommends to the parties that they agree upon a provision or procedure for the posting of overtime balances in those stations where the balances are not now being posted, the method of posting in such locations to be consistent with the method already being followed in those locations where the balances are now being posted.

IV. CONCLUSION

We conclude that the underlying cause of this dispute has not been a basic economic conflict or rules dispute between the parties but rather that the present impasse is primarily related to the various factors of past stress and conflict which have been described. We are firmly of the opinion that in the turbulence of the time, and in the circumstances under which the mediation agreement was presented, the membership did not afford that settlement the objective consideration to which it was entitled.

We have carefully reviewed all of the present proposals of the parties and have examined and evaluated the mediation agreement. We have recommended an extension of the contract period so that a two-year period of stability will be afforded during which the parties can work to reestablish the excellent relationship which formerly existed on this property; and we have provided further gains to the

employees as part of that extension as well as recommending certain changes in the original agreement which had become important sources of controversy. In all other respects we have recommended the acceptance of the original mediation agreement.

The public interest in uninterrupted air transportation demands a return to responsible collective bargaining. We urge the parties to arrive at a settlement of their differences on the basis of the recommendations here contained.

V. SUMMARY OF RECOMMENDATIONS

The Board recommends the following disposition of the issues between the instant parties:

1. That in the light of the additional delay in arriving at a contract settlement, the term of the new contract between the parties be until December 31, 1965.

2. That the parties agree upon a wage settlement, to be as follows:

	Effective 6/1/62	*Effective 6/1/63*	*Effective 6/1/64*	*For the additional 7-month contract period Effective 6/1/65*
Group I	12¢	8¢	10¢	6¢
Group II	9¢	8¢	8¢	5¢

3. That the parties agree to increase the premium for the afternoon shift by 2 cents per hour and the premium for the day-afternoon relief shift by 3 cents per hour, in addition to the already agreed-upon increase for the remaining shifts, the additional increases to have the same effective date as those already agreed upon.

4. That the parties agree upon a provision for the posting of overtime balances in those stations where the balances are not now being posted, the method of posting to be consistent with the method already being followed in the locations where the balances are now being posted.

5. That the parties agree that all remaining issues in dispute between them be resolved on the basis of the August 3, 1963 mediation agreement.

With reference to the discharge of the 24 employees, the Board does not believe it should intrude into the grievance procedure and System Board arrangements which are designed to resolve such grievances on their merits.

Respectfully submitted.

PAUL D. HANLON, *Chairman*
ELI ROCK, *Member*
LAURENCE E. SEIBEL, *Member.*

U.S. GOVERNMENT PRINTING OFFICE: 1963