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Title: **LTV Steel Company, Inc., LTV Steel Tubular Products Company and United Steelworkers of America (USWA) Locals 185 et al. (1999)**

K#: **2539**

Employer Name: **LTV Steel Company, Inc., LTV Steel Tubular Products Company**

Location: **OH IL**

Union: **United Steelworkers of America (USWA)**

Local: **185, et al.**

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K#2539 ees=9,000

# AGREEMENT

BETWEEN

LTV STEEL

AND THE

UNITED STEELWORKERS OF AMERICA

PRODUCTION AND MAINTENANCE EMPLOYEES

"Safety and Quality Two Ingredients for Success"

August 1, 1999

Duration 8/1/99 – 8/1/2004

K # 2539 eus = 9,000

~~includes~~ K # 2526 merged into 2539

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LTV Steel

August 1, 1999

Duration = 8/1/99 - 8/1/2004

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## AGREEMENT

This Agreement dated as of **August 1, 1999** (hereinafter referred to as the **"1999** Agreement"), is between LTV Steel Company, Inc. and LTV Steel Tubular Products Company, or their successors, (hereinafter referred to as the "Company" as further defined in Appendix BBB) and the United Steelworkers of America or its successor (hereinafter referred to as the "Union") on behalf of all of the employees of the Company, except as set forth in Section II-A hereof, in its Hennepin, Cleveland, Indiana Harbor, and Aliquippa Works; **and the steel plant and continuous strip mill at Cleveland, Ohio, the coke plant at Warren, Ohio, the coke plant at South Chicago, Illinois, and the plants of the Tubular Products Company at Youngstown, Cleveland and Elyria, Ohio.** Except as otherwise expressly provided herein, the provisions of this Agreement shall be effective **August 1, 1999.** At the Hennepin Works, no provision of this Agreement shall be applied to events which occurred prior to August 1, 1968. 0.1

The Union having been designated the exclusive collective-bargaining representative of the employees of the Company as defined in Section II-A-Coverage, the Company recognizes the Union as such exclusive representative. Accordingly, the Union makes this Agreement in its capacity as the exclusive collective-bargaining representative of such employees. The provisions of this Agreement constitute the sole procedure for the processing and settlement of any claim by an employee or the Union of a violation by the Company of this Agreement. As the representative of the employees, the Union may process grievances through the grievance proce- 0.2

dure, including arbitration, in accordance with this Agreement or adjust or settle the same.

## SECTION I – PURPOSE AND INTENT OF THE AGREEMENT

1.1 It is the intent and purpose of the parties hereto that this Agreement will promote economic and efficient operations of the Works, prevent strikes and other disturbances which interfere with production, achieve the highest level of employee performance consistent with safety, good health and sustained effort, and thereby establish harmonious relationships between the Union and the Company by setting forth herein the basic Agreement covering rates of pay, hours of work and conditions of employment to be observed between the parties hereto.

1.3 The representatives of the Company and the Union shall continue to provide each other with such advance notice as is reasonable under the circumstances on all matters of importance in the administration of the terms of the labor agreement, including changes or innovations affecting the relations between the local parties.

1.4 The parties recognize that for their joint benefit, increases in wages and benefits should be consistent with the long term prosperity and efficiency of the steel industry.

1.5 The parties are concerned that the future for the industry in terms of employment security and return on substantial capital expenditures will rest heavily upon the ability of the parties to work cooperatively to achieve significantly higher productivity trends than have occurred in the recent past. The parties are acutely aware of the impact upon the industry and its employees of the sizable penetration of the domestic steel market by foreign producers. The parties have joined their

efforts in seeking relief from the problem of massive importation of foreign steel manufactured in low-wage countries. Thus, it is incumbent upon the parties to work cooperatively to meet the challenge posed by principal foreign competitors in recent years. It is also important that the parties cooperate in promoting the use of American made steel.

## SECTION II-A – COVERAGE

**1.** The term "employee," as used in this Agreement: **2.1**

**a.** shall not include foremen or assistant foremen in charge of any classes of labor, watchmen, salaried employees and nurses at the Hennepin, Cleveland and Aliquippa Works; and

**b.** shall include production and maintenance employees, but exclude executives, foremen, assistant foremen, supervisors who do not work with tools, watchmen, office employees, and nurses and clerical and salaried employees, at the Indiana Harbor Works, and exclude bricklayers at the Indiana Harbor Works.

**c. shall include the production and maintenance employees but exclude executives, foremen, assistant foremen, supervisors who do not work with tools, draftsmen, timekeepers, first-aid men and nurses, plant protection, office and salaried employees at the steel plant and continuous strip mill at Cleveland, Ohio, the coke plant at Warren, Ohio, the coke plant at South Chicago, Illinois, and the plants of the Tubular Products Company at Youngstown, Cleveland and Elyria, Ohio, and exclude bricklayers at the coke plants located at Warren, Ohio, and South Chicago, Illinois.**

**2.** When Management establishes a new or **2.2**

changed job in a plant so that duties involving a significant amount of production or maintenance work, or both, which is performed on a job within the bargaining unit (or, in the case of new work, would be performed on such a job) are combined with duties not normally performed on a job within the bargaining unit, the resulting job in the plant shall be considered as within the bargaining unit. This provision shall not be construed as enlarging or diminishing whatever rights exist in respect of withdrawal of non-bargaining unit duties from a job in the bargaining unit, provided that where nonbargaining unit duties are placed in a job in the bargaining unit under this provision, such duties may be withdrawn at any time. Management shall, on request, furnish to the Union reasonable information to permit determination of questions of compliance with this provision.

**3.** The Company shall not displace employees by assigning foremen, assistant foremen, or salaried employees to any job which falls within the scope of the bargaining unit. **2.3**

If a supervisor performs work in violation of this Subsection II-A-3 and the employee who otherwise would have performed this work can readily be identified, the Company shall pay such employee the applicable standard hourly wage rate for the time involved or for four hours, whichever is greater. **2.4**

**4.** In the event of a grievance arising under this Section II-A, it may be subject to adjustment in accordance with the provisions of the grievance procedure and such grievance shall originate at the level of the superintendent of the department and the department grievance committeeman. **2.5**

**5.** An employee assigned as a temporary **2.6**

foreman will not issue discipline to employees, provided that this provision will not prevent a temporary foreman from relieving an employee from work for the balance of the turn for alleged misconduct. An employee will not be called by either party in the grievance procedure or arbitration to testify as a witness regarding any events involving discipline which occurred while the employee was assigned as a temporary foreman.

## SECTION II-B – LOCAL WORKING CONDITIONS

**1.** The term "local working conditions" as used herein means specific practices or customs which reflect detailed application of the subject matter within the scope of wages, hours of work or other conditions of employment and includes local agreements, written or oral, on such matters. Local working conditions now in effect shall remain in effect unless they are in conflict with the rights of employees under this Agreement or are changed by mutual agreement. Employees shall be entitled to process grievances to secure alteration or elimination of any local conditions which deprive them of any benefits under this Agreement. **2.7**

**2.** The settlement of a grievance prior to arbitration under the provisions of this Section shall not constitute a precedent in the settlement of grievances in other situations in this area. **2.8**

**3.** Each party shall as a matter of policy encourage the prompt settlement of problems in this area by mutual agreement at the local level. **2.9**

## SECTION II-C – CONTRACTING OUT

The parties have existing rights and contractual understandings with respect to contracting out. These include the existing rights and obliga- **2.10**

tions of the parties which arose before the parties included specific language in their collective bargaining agreement, the arbitration precedents which have been established before and since the parties included specific provisions addressing contracting out in their collective bargaining agreement, and the agreements resulting from the review of all contracting out work performed inside or outside the plant under the provisions of the Interim Progress Agreement dated January 31, 1986. In addition, the following provisions shall be applicable to all new contracting out issues arising on or after the effective date of this Agreement.

**A. Basic Prohibition**

The parties acknowledge the guiding principle 2.11
that work capable of being performed by bargaining unit employees shall be performed by such employees. Accordingly, the Company will not contract out any work for performance inside or outside the plant unless it demonstrates that such work meets one of the following exceptions.

**B. Exceptions**

**1. Work In the Plant**

**a.** Production, service, all mainte- 2.12
nance and repair work, all installation, replacement and reconstruction of equipment and productive facilities, other than that listed in Subparagraph B-1-b below, all within a plant, may be contracted out if (a) the consistent practice has been to have such work performed by employees of contractors and (b) it is more reasonable (within the meaning of paragraph C below) for the Company to contract out such work than to use its own employees.

**b.** Major new construction including 2.13
major installation, major replacement and major reconstruction of equipment and productive facil-

ities, at any plant may be contracted out subject to any rights and obligations of the parties which as of the beginning of the period commencing August 1, 1963, are applicable at that plant in the case of any plant which was in operation on or before August 1, 1958. With respect to any other plant, the period commencing date shall be the date five years after the date on which the plant started operations.

A project shall be deemed major so as to fall within the scope of this exception if it is shown by the Company that the project is of a grander or larger scale when compared to other projects bargaining unit forces at the plant are normally expected to do. Such comparisons should be made in light of all relevant factors. **2.13.1**

As regards the term "new construction" above, except for work done on equipment or systems pursuant to a manufacturer's warranty, work that is of a peripheral nature to major new construction, including major installation, major replacement and major reconstruction of equipment and production facilities and which does not concern the main body of work shall be assigned to employees within the bargaining unit unless it is more reasonable to contract out such work taking into consideration the factors set forth in paragraph C or it is otherwise mutually agreed. For purposes of this provision, the term "work of a peripheral nature" may in certain instances include, but not be limited to demolition, site preparation, road building, utility hook-ups, pipe lines and any work which is not integral to the main body. **2.14**

**2. Work Outside the Plant**

**a.** Should the Company contend that maintenance or repair work to be performed outside the plant or work associated with the fabri- **2.15**

cating of goods, materials or equipment purchased or leased from a vendor or supplier should be excepted from the prohibitions of this Section, the Company must demonstrate that it is more reasonable (within the meaning of paragraph C below) for the Company to contract for such work (including the purchase or lease of the item) than to use its own employees to perform the work or to fabricate the item.

**Notwithstanding the above, the Company may purchase standard components or parts or supply items mass produced for sale generally ("shelf items"). No item shall be deemed a standard component or part or supply item if:** 2.16

**(i) its fabrication requires the use of prints, sketches or detailed manufacturing instructions supplied by the Company or at the Company's behest or by another company engaged in producing or finishing steel or it is otherwise made according to detailed Company specifications or those of such other company; or**

**(ii) it involves a unit exchange; or**

**(iii) it involves the purchase of electric motors, engines, transmissions, or converters under a core exchange program (whether or not title to the unit passes to the vendor/purchaser as part of the transaction), unless such transaction is undertaken with an original equipment manufacturer, or with one of its authorized dealers, provided that the items in the core exchange program that are sold to the company are rebuilt using instructions and parts supplied by**

**the original equipment manufacturer (or, if the part or parts are not stocked by the original equipment manufacturer, approved by such manufacturer).**

**It is further provided that adjustments in e length, size, or shape of a shelf item, so at it can be used for a Company specific plication, shall be deemed for the purposes this Section II-C-B-2-a, to be fabrication ork performed outside the Plant.** 2.16.1

**b.** *Production work may be performed* utside the plant only where the Company emonstrates that it is unable because of lack of apital to invest in necessary equipment or facilies, and that it has a continuing commitment to e steelmaking business. In determining hether there is capital to invest in particular *quipment or facilities, the Company is entitled to* ake reasonable judgments about the allocation f scarce capital resources among its plants repesented by the Union and their supporting facilies. 2.17

**3. Mutual Agreement**

Work contracted out by mutual agreement of *ne parties pursuant to paragraph F below.* 2.18

**C. Reasonableness**

In determining whether it is more reasonable or the Company to contract out work than use its wn employees, the following factors shall be onsidered: 2.19

1. Impact on the bargaining unit. 2.20

2. *The necessity for hiring new employees* shall not be deemed a negative factor except or work of a temporary nature. 2.21

3. Desirability of recalling employees on ayoff. 2.22

4. Availability of qualified employees 2.23

(whether active or on layoff) for a duration long enough to complete the work.

5. Availability of adequate qualified supervision. 2.24

6. Availability of required equipment either on hand or by lease or purchase, provided that either the capital outlay for the purchase of such equipment, or the expense of leasing such equipment, is not an unreasonable expenditure in all the circumstances at the time the proposed decision is made. 2.25

7. The expected duration of the work and the time constraints associated with the work. 2.26

8. Whether the decision to contract out the work is made to avoid any obligation under the collective bargaining agreement or benefits agreements associated therewith. 2.27

9. Whether the work is covered by a warranty necessary to protect the Company's investment. For purposes of this subparagraph, warranties are intended to include work performed for the limited time necessary to make effective the following seller guarantees: 2.28

a. Manufacturer guarantees that new or rehabilitated equipment or systems are free of errors in quality, workmanship or design. 2.29

b. Manufacturer guarantees that new or rehabilitated equipment or systems will perform at stated levels of performance and/or efficiency subsequent to installation. 2.30

**For equipment or systems ordered after August 1, 1999, and for the purposes of this factor only, the warranties referenced in a. and b. above may not be relied upon by the Company for more than 18 months following acceptance; provided, however, warranties of a longer duration may be relied upon if the Company (i) demonstrates that at the time of** 2.30.1

**e sale such longer warranties are the manacturer's published standard warranties ctually offered to customers in the normal ourse of business; and (ii) reviews the documents relating to the warranty and the sales rice with the union members of the contractg out committee at or near the time of the urchase.**

Warranties are commitments associated with **2.31** particular product or service in order to assure at seller representations will be honored at no dditional cost to the Company. Long term servе contracts are not warranties for the purposes this subparagraph.

**10.** In the case of work associated with leased **2.32** uipment, whether such equipment is available thout a commitment to use the employees of tside contractors or lessors for its operation d maintenance.

**11.** Whether, in connection with the subject **2.33** ork or generally, the local union is willing to aive or has waived restrictive working condins, practices or jurisdictional rules (all within e meaning of "local working conditions" and the thority provided by this Agreement).

**D. Contracting Out Committee**

**1.** At each plant a regularly constituted **2.34** mmittee consisting of not more than four perns (except that the committee may be enlarged six persons by local agreement), half of whom all be members of the bargaining unit and desnated by the Union in writing to the Plant manement and the other half designated in writing the Union by the Plant management, shall empt to resolve problems in connection with eration, application and administration of the egoing provisions.

**2.** In addition to the requirements of para- **2.35**

graph E below, such committee may discuss any other current problems with respect to contracting out brought to the attention of the committee.

**3.** Such committee shall meet at least one time each month. **2.36**

**E. Notice and Information**

Before the Company finally decides to contract out an item of work as to which it claims the right to contract out, the Union committee members will be notified. Except as provided in paragraph H below (Shelf Item Procedure), such notice will be given in sufficient time to permit the Union to invoke the Expedited Procedure described in paragraph G below, unless emergency situations prevent it. Such notice shall be in writing and shall be sufficient to advise the Union members of the committee of the location, type, scope, duration and timetable of the work to be performed so that the Union members of the committee can adequately form an opinion as to the reasons for such contracting out. Such notice shall generally contain the information set forth below: **2.37**

1. Location of work.
2. Type of work:
   a. Service
   b. Maintenance
   c. Major Rebuilds
   d. New Construction
3. Detailed description of the work.
4. Crafts or occupations involved.
5. Estimated duration of work.
6. Anticipated utilization of bargaining unit forces during the period.
7. Effect on operations if work not completed in timely fashion.

Within ninety (90) days following the effective date of this Agreement, Headquarters represen- **2.38**

tatives of the parties shall develop a form notice for the submission of the information described above.

Either the Union members of the committee or the Company members of the committee may convene a prompt meeting of the committee. Should the Union committee members believe discussion to be necessary, they shall so request the Company members in writing within five (5) days (excluding Saturdays, Sundays and holidays) after receipt of such notice and such a discussion shall be held within three (3) days (excluding Saturdays, Sundays and holidays) thereafter. The Union members of the committee may include in the meeting the Union representative from the area in which the problem arises. At such meeting, the parties should review in detail the plans for the work to be performed and the reasons for contracting out such work. Upon their request, the Union members of the committee will be provided any and all information in the Company's possession relating to the reasonableness factors set forth in Paragraph C above. Included among the information to be made available to the committee shall be the opportunity to review copies of any relevant proposed contracts with the outside contractor. The Management members of the committee shall give full consideration to any comments or suggestions by the Union members of the committee and to any alternate plans proposed by Union members for the performance of the work by bargaining unit personnel. Except in emergency situations, such discussions, if requested shall take place before any final decision is made as to whether or not such work will be contracted out. **2.39**

Should the Company committee members fail to give notice as provided above, then not later **2.40**

than thirty (30) days from the date of the commencement of the work a grievance relating to such matter may be filed under the grievance and arbitration procedure. Should it be found in the arbitration of a grievance alleging a failure of the Company to provide the notice or information required under this paragraph E that such notice or information was not provided, that the failure was not due to an emergency requirement, and that such failure deprived the Union of a reasonable opportunity to suggest and discuss practicable alternatives to contracting out, the Board shall have the authority to fashion a remedy, at its discretion, that it deems appropriate to the circumstances of the particular case. Such remedy, if afforded, may include earnings to grievants who would have performed the work, if they can be reasonably identified.

Notwithstanding any other provision of this Agreement, where, at a particular Plant, it is found that the Company (i) committed violations of paragraph E that demonstrate willful conduct in violation of the notice provision or constitutes a pattern of conduct of repeated violations or (ii) violated a cease and desist order previously issued by the Board of Arbitration in connection with a violation of paragraph E, the Board of Arbitration may, as circumstances warrant, fashion a suitable remedy or penalty. **2.40.1**

**F. Mutual Agreement and Disputes**

The committee may resolve the matter by mutually agreeing that the work in question either shall or shall not be contracted out. Any such resolution shall be final and binding but only as to the matter under consideration and shall not affect future determinations under this Section. **No agreement entered into after August 1, 1999, whether or not reached pursuant to this** **2.41**

**Section, which directly or indirectly permits the contracting out of work on an ongoing basis, shall be valid or enforceable unless it is in writing and signed by both the President and the General Grievance Committeeman of the affected Local Union.**

If the matter is not resolved, or if no discussion is held the dispute may be processed further in accordance with either of the following: **2.42**

**1.** By filing, within thirty (30) days of receipt of the Company's notice, a grievance relating to such matter under the grievance and arbitration procedure described in Sections VI and VII; or **2.43**

**2.** By submitting the matter to the Expedited Procedure set out in paragraph G below. **2.44**

**G. Expedited Procedure**

In the event that either the Union or Company members of the committee request an expedited resolution of any dispute arising under this Section, except paragraph H (Shelf Item *Procedure), it shall be submitted to the Expedited* Procedure in accordance with the following: **2.45**

**1.** In all cases except those involving day-to-day maintenance and repair work and service, the Expedited Procedure shall be implemented prior to letting a binding contract. **2.46**

**2.** Within three (3) days (excluding Saturdays, Sundays and holidays) after either the Union or Company members of the committee determine that the committee cannot resolve the dispute, either party (chairman of the grievance committee in the case of the local union and the manager of labor relations in the case of the Company) may advise the other in writing that it is invoking this expedited procedure. **2.47**

**3.** An expedited arbitration must be **2.48**

scheduled within three (3) days (excluding Saturdays, Sundays and holidays) of such notice and heard at a hearing commencing within five (5) days (excluding Saturdays, Sundays and holidays) thereafter. The Chairman of the Board of Arbitration, or his appointee, shall hear the dispute and, if no member of the Board is available to hear the dispute within five (5) days, another arbitrator shall be selected by mutual agreement of the District Director of the Union and the Vice President of Industrial Relations of the Company.

**4.** The arbitrator must render a decision within forty-eight (48) hours (excluding Saturdays, Sundays and holidays) of the conclusion of the hearing. Such decision shall not be cited as a precedent by either party in any future contracting out disputes. **2.49**

**5.** Notwithstanding any other provision of this Agreement, any case heard in the Expedited Procedure before the work in dispute was performed may be reopened by the Union in accordance with this paragraph if such work, as actually performed, varied in any substantial respect from the description presented in arbitration, except where the difference involved a good faith variance as to the magnitude of the project. The request to reopen the case must be submitted within seven (7) days of the date on which the Union knew or should have known of the variance and shall contain a summary of the ways in which the work as actually performed differed from the description presented in arbitration. As soon as practicable after receipt of a request to reopen, an arbitration hearing date shall be scheduled. In a case reopened pursuant to this paragraph, the Board of Arbitration shall determine whether the work in dispute, as it actually was performed, violated the provisions of Section **2.49.1**

II-C and, if so, the remedy. The prior decision regarding the subject work shall be considered in the determination and be controlling in the subsequent dispute, except to the extent that it relied on an erroneous description.

**H. Shelf Item Procedure**

1. On May 1 of each year, the Company shall provide the Union members of the committee with a list and description of anticipated ongoing purchases of each item which the Company claims to be a shelf item within the meaning of paragraph B-2-a above. If the Union members of the committee so request, the list shall not nclude any item included on a previous list where the status of that item, as a shelf item, has been expressly resolved. Within sixty (60) days of he submission of the list, either the Union members of the committee or the Company members nay convene a prompt meeting of the committee o discuss and review the list of items and, if equested, the facts underlying the Company's laim that such items are shelf items. **2.50**

2. The committee may resolve the matter by mutually agreeing that the item in question ither is or is not a shelf item. With respect to any em as to which the Union members of the committee agree with the Company's claim that it is a helf item, the Company shall be relieved of any bligation to furnish a contracting out notice until he May 1 next following such agreement and hereafter, if the Union has requested that a esolved item be deleted from the shelf item list n accordance with paragraph H-1. **2.51**

3. If the matter is not resolved, any dispute may be processed further by filing, within hirty (30) days of the date of the last discussion, grievance in the Third Step of the grievance rocedure, and thereafter, in accordance with the **2.52**

grievance and arbitration procedure described in Sections VI and VII. Except as provided in paragraph H-5 below, such a grievance shall include all items in dispute.

**4.** An item which the Company claims to be a shelf item, but which was not included on the list referred to above because no purchase was anticipated, shall be listed and described on a contracting out notice provided to the Union not later than the regularly scheduled meeting of the contracting out committee next following purchase of the item. Thereafter, the parties shall follow the procedures set forth in paragraphs 2 and 3 above. **2.53**

**5.** The Union may file a grievance in accordance with paragraph F or G of this Section II-C with respect to any unresolved item of maintenance and repair work performed outside the plant notwithstanding the inclusion of such item on the shelf item list previously furnished to the Union by the Company, provided such grievance is filed within thirty (30) days of the date on which the Union knew or should have known of the performance of the work. **2.53.1**

**I. Contractors Testifying In Arbitration.**

No testimony offered by an outside contractor may be considered in any proceeding alleging a violation of Section II-C unless the party calling the contractor provides the other party with a copy of each contractor document to be offered at least forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before commencement of that hearing. **2.53.2**

**J. Annual Review**

Commencing on or before October 1 of each year the Company Committee members shall meet with the Union Committee members for the purpose of (i) reviewing all work whether inside **2.54**

or outside the plant which the Company anticipates may be performed by outside contractors or vendors at some time during the following twelve (12) months, (ii) determining such work which should be performed by bargaining unit employees and (iii) identifying situations where the elimination of restrictive practices would promote the performance of any such work by bargaining unit employees. The Union Committee members shall be entitled in conducting this study to review any current or proposed contracts concerning items of work performed for the Company by outside contractors and vendors and shall keep such information confidential.

**2.55** By no later than November 1 of each year these Local Union and Company Committee members shall jointly submit a written report to the Co-Chairmen of the Negotiating Committee or their designees describing the results of this review. Specifically, the report should list (a) all items of work which the parties agree will be performed by bargaining unit employees during the following year, (b) all items of work which the parties agree should be performed by outside contractors and vendors, and (c) those items on which the parties disagree. If the parties disagree, the report will state the reason for such disagreements.

**2.56** As to individual items of work, the Co-Chairmen of the Negotiating Committee may (a) affirm the plant recommendation, (b) disagree with respect to the plant recommendation as to specific items and either (i) refer their dispute to arbitration under a procedure to be established by the parties and the Board or (ii) refer the matters back to the plant without resolution in which event the specific disputes will be handled under the provisions of this section at the time they may arise.

**K. District Director/Vice-President Industrial Relations**

It is the intent of the parties that the members of the joint plant contracting out committee shall engage in discussions of the problem involved in this field in a good-faith effort to arrive at mutual understanding so that disputes and grievances can be avoided. If either the Company or the Union members of the committee feel that this is not being done, they may appeal to the District Director of the Union who has jurisdiction of the plant in question and the appropriate representative of the Company Headquarters for review of the complaint about the failure of the committee to properly function. Such appeal shall result in a prompt investigation by the District Director or his designated representative and the Company's Vice-President of Industrial Relations or his designated representative for such review. This provision should in no way affect the rights of the parties in connection with the processing of any grievance relating to the subject of contracting out. 2.57

**L. General Provisions**

**Where at a particular plant, it is found in a case arising subsequent to August 1, 1999, that the Company (i) engaged in conduct which constitutes willful or repeated violations of paragraph B.1 or B.2, the first of which occurred on or after August 1, 1998, or (ii) violated a cease and desist order previously issued by the Board of Arbitration in connection with a violation of paragraph B.1 or B.2 arising on or after August 1, 1998; or (iii) in cases, the earliest of which arose on or after August 1, 1999, engaged in a pattern of conduct of repeated violations of paragraph B.1 or B.2 but where no remedy was other-** 2.58

**wise appropriate because of practical overtime limits or the unavailability of employees to perform the improperly contracted out work, the Board of Arbitration shall, as circumstances warrant, fashion a remedy or penalty specifically designed to deter the behavior described in (i), (ii), or (iii), above.**

## SECTION III – MANAGEMENT

The management of the Works and the direction of the working forces, including the right to hire, transfer and suspend or discharge for proper cause, and the right to relieve employees from duty is vested exclusively in the Company. **3.1**

In the exercise of its prerogatives as set forth above, the Company shall not deprive an employee of any rights under this Agreement. **3.2**

## SECTION IV – RESPONSIBILITIES OF THE PARTIES

Each of the parties hereto acknowledges the rights and responsibilities of the other party and agrees to discharge its responsibilities under this Agreement. **4.1**

The Union (its officers and representatives, at all levels) and all employees are bound to observe the provisions of this Agreement. **4.2**

The Company (and its officers and representatives, at all levels) is bound to observe the provisions of this Agreement. **4.3**

In addition to the responsibilities that may be provided elsewhere in this Agreement, the following shall be observed: **4.4**

**1.** There shall be no intimidation or coercion of employees into joining the Union or continuing their membership therein. **4.5**

**2.** There shall be no solicitation of membership on Company time. **4.6**

**3.** There shall be no strikes, work stoppages or interruption or impeding of work. No officer or representative of the Union shall authorize, instigate, aid or condone any such activities. No employee shall participate in any such activities. **4.7**

**4.** The applicable procedures of this Agreement will be followed for the settlement of all complaints or grievances. **4.8**

**5.** There shall be no interference with the right of employees to become or continue members of the Union. **4.9**

**6.** There shall be no discrimination, restraint or coercion against any employee because of membership in the Union. **4.10**

**7.** It is the continuing policy of the Company and the Union that the provisions of this Agreement shall be applied to all employees without regard to race, color, religious creed, national origin, handicap, status as a disabled veteran or veteran of the Vietnam era, sex or age, consistent with their obligations and/or rights under applicable Federal, State and local laws regarding such matters. Sexual harassment shall be considered discrimination under this provision. The representatives of the Union and the Company in all steps of the grievance procedure and in all dealings between the parties shall comply with this provision. The Company and the Union agree to cooperate in dealing with problems of discrimination where they occur. Neither the Company nor the Union shall retaliate against an employee who complains of discrimination, or who is a witness to discrimination. **4.11**

A Joint Committee on Civil Rights shall be established at each plant. The Union representation on the Committee shall be no more than three members from each Local Union, in addition to the Local Union President and Chairman **4.12**

of the Grievance Committee of each Local Union. The Union members shall be certified to the General Manager, Employee Relations and Industrial Engineering by the Union and the Company members shall be certified to the District Director of the Union.

**4.13** The Company and Union members of the Joint Committee shall meet at mutually agreeable times, but no less than once each month. The Joint Committee shall review and investigate matters involving Civil Rights and advise with the Company and the Union concerning them, and attempt to resolve same. In the event that an employee Civil Rights complaint involving a claim of discrimination reviewed by the Joint Committee is not resolved by the Joint Committee, it may be processed as a grievance. Such grievance may be filed by the Chairman of the Grievance Committee in the Third Step of the grievance procedure as provided in Section VI. It is not intended by the parties that this Committee shall displace the normal operation of the grievance procedure. The Joint Committee shall have no jurisdiction over the initiating, filing, or processing of grievances. If a Civil Rights complaint is referred to the Joint Committee, the time limit for filing a grievance in the Third Step will commence the day following the date of the initial Joint Committee meeting in which the Civil Rights complaint was discussed unless the Company and Union members of the Joint Committee mutually agree to an extension; provided, however, the Civil Rights complaint was recorded with the Joint Committee within 30 calendar days after the date on which the facts or events upon which the Civil Rights complaint is based shall have existed or reasonably should have become known to the employee or employ-

ees affected thereby.

8. There shall be no lockouts. 4.14

9. All complaints or grievances shall be considered carefully and processed promptly in accordance with the applicable procedures of this Agreement. 4.15

The right of the Company to discipline an employee for a violation of this Agreement shall be limited to the failure of such employee to discharge his responsibilities as an employee and may not in any way be based upon the failure of such employee to discharge his responsibilities as a representative or officer of the Union. The Union has the exclusive right to discipline its officers and representatives. The Company has the exclusive right to discipline its officers, representatives and employees. 4.16

## SECTION V – UNION MEMBERSHIP AND CHECKOFF

### A. Union Membership

1. Each employee who on the effective date of this Agreement is a member of the Union in good standing and each employee who becomes a member after that date shall, as a condition of employment, maintain his membership in the Union. 5.1

2. Each employee hired on or after July 1, 1956, shall, as a condition of employment, beginning on the 30th day following the beginning of such employment or the effective date of this Agreement, whichever is the later, acquire and maintain membership in the Union. At the Hennepin Works, the provisions of this Subsection V-A-2 shall only be applicable to each employee hired an or after August 1, 1968. 5.2

3. On or before the last day of each month the Union shall submit to the Company a notar- 5.3

d list showing separately for each Works
/ision the name, department symbol, and
eck number of each employee who shall have
come a member of the Union in good standing
er than pursuant to Subsection V-A-2 above or
o shall have withdrawn from the Union since
last previous list of such members was fur-
hed to the Company.

For the purposes of this Section, an employ- 5.4
shall not be deemed to have lost his member-
p in the Union in good standing until the
*ernational Secretary-Treasurer of the Union*
all have determined that the membership of
ch employee in the Union is not in good stand-
and shall have given the Company a notice in
ting of that fact.

4. In states in which the foregoing provisions 5.5
ay not lawfully be enforced, the following provi-
ns, to the extent that they are lawful, shall
ply:

Each employee who would be required to 5.6
quire or maintain membership in the Union if
e foregoing Union security provisions could
vfully be enforced, and who fails voluntarily to
quire or maintain membership in the Union,
all be required as a condition of employment,
ginning on the 30th day following the begin-
ng of such employment or the date of this
reement, whichever is later, to pay to the
*ion each month a service charge as a contri-*
tion toward the administration of this
reement and the representation of such
nployees. The service charge for the first month
all be in an amount equal to the Union's regu-
and usual initiation fee and monthly dues, and
each month thereafter in an amount equal to
e *regular and usual monthly dues.*

5. The foregoing provisions shall be effective 5.7

in accordance and consistent with applicable provisions of federal and state law.

**B. Checkoff**

**1.** The Company will check off dues, assessments and initiation fees each as designated by the International Secretary-Treasurer of the Union, as membership dues in the Union, on the basis of individually signed voluntary checkoff authorization cards in forms agreed to by the Company and the Union. **5.8**

**2.** At the time of his employment the Company will suggest that each new employee voluntarily execute an authorization for the checkoff of Union dues in the form agreed upon. A copy of such authorization card for the checkoff of Union dues shall be forwarded to the Financial Secretary of the Local Union along with the membership application of such employee. **5.9**

**3.** New checkoff authorization cards other than those provided for by Subsection V-B-2 above will be submitted to the Company through the Financial Secretaries of the Local Unions at intervals no more frequent than once each month. On or before the last day of each month the Union shall submit to the Company a summary list of cards transmitted in each month. **5.10**

**4.** Deductions on the basis of authorization cards submitted to the Company shall commence with respect to dues for the month in which the Company receives such authorization card or in which such card becomes effective, whichever is later. Dues for a given month shall be deducted from the first pay closed and calculated in the succeeding month. **5.11**

**5.** In cases of earnings insufficient to cover deduction of dues, the dues shall be deducted from the next pay in which there are sufficient earnings, or a double deduction may be made **5.12**

m the first pay of the following month, provid-
, however, that the accumulation of dues shall
limited to two months. The International
cretary-Treasurer of the Union shall be provid-
with a list of those employees for whom dou-
deduction has been made.

**6.** The Union will be notified of the reason for **5.13**
n-transmission of dues in case of interplant
nsfer, layoff, discharge, resignation, leave of
sence, sick leave, retirement, death, or insuffi-
ent earnings.

**7.** Unless the Company is otherwise notified, **5.14**
e only Union membership dues to be deducted
r payment to the Union from the pay of the
mployee who has furnished an authorization
hall be the monthly Union dues. The Company
ill deduct initiation fees when notified by nota-
on on the lists referred to in paragraph 3 of this
ubsection, and assessments as designated by
e International Secretary-Treasurer. With
espect to checkoff authorization cards submitted
irectly to the Company, the Company will deduct
nitiation fees unless specifically requested not to
o so by the International Secretary-Treasurer of
he Union after such checkoff authorization cards
ave become effective. The International
Secretary-Treasurer of the Union shall be provid-
d with a list of those employees for whom initia-
ion fees have been deducted under this
aragraph.

**8.** The parties shall make such arrange- **5.15**
nents as may be necessary to adapt the forego-
ng check-off provisions to the checkoff of the
ervice charge referred to in Subsection V-A-4,
ursuant to voluntary authorizations therefor.

**9.** The provisions of this Subsection B shall **5.16**
e effective in accordance and consistent with
pplicable provisions of federal law.

**C. Indemnity Clause** 5.17

The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company for the purpose of complying with any of the provisions of this Section, or in reliance on any list, notice or assignment furnished under any of such provisions.

## SECTION VI – ADJUSTMENT OF COMPLAINTS AND GRIEVANCES

**A. Purpose**

Should any differences arise between the Company and the Union or any employee and the Company as to the meaning or application of or compliance with sections of this Agreement or as to any question relative to rates of pay, hours of work and conditions of employment, there shall be no interruption or impeding of the work, work stoppages, strikes or lockouts on account of such differences, but an earnest effort shall be made to settle such differences in the following manner: 6.1

**B. Grievance Procedure**

FIRST STEP (Oral)

Any employee who believes that he has a justifiable complaint shall discuss the complaint with his foreman, with or without his grievance or assistant grievance committeeman present as the employee may choose, in an effort to arrive at a satisfactory settlement. Where this is not possible by reason of the employee's refusal to discuss the complaint with the foreman, he may report the matter directly to his grievance or assistant grievance committeeman. If his grievance or assistant grievance committeeman decides that the employee's complaint is proper, 6.2

e shall take it up with the foreman. The employe (or a limited number of the employees) *nvolved in the complaint should be present in* uch discussion, if he so desires.

6.3 The discussion shall be thorough and with uch sincere effort that it either becomes evident hat the employee does not have a justified complaint under the basic labor agreement or that he as and consequently the situation giving rise to he complaint should, if possible, be corrected. If he employee and/or his grievance or assistant rievance committeeman, and the foreman feel hat they need aid in arriving at a solution they nay, while retaining responsibility to arrive at a olution of the complaint, mutually agree to invite uch additional agreed upon Company and Jnion representatives or witnesses to participate vho may be available in the plant to render aid, it a mutually agreeable time. The foregoing proedure of direct communication and discussion hould result in a full disclosure of facts and hould lead to a fair and speedy solution of most of the complaints arising out of the day-to-day operations of the plant.

6.4 The foreman shall have authority to settle the omplaint. The grievance and/or assistant grievance committeeman shall have the authority to ettle, withdraw, or refer the complaint.

6.5 The foreman after the discussion shall give is response to the complaint promptly but within 3 days, shall then make the appropriate notation on the following form and shall submit a copy of to the Union representative and the complaining employee involved.

First Step 6.6

Name .....
Check No .....
Department .....
Type of complaint .....
Date of initial complaint with foreman .....
Date of foreman's oral response .....
Date settled .....
Date denied .....
Foreman's signature .....
Union representative's signature .....

Second Step

Date referred to Second Step .....
Committeeman's signature .....
Date settled .....
Date denied .....
Superintendent's signature .....

Following such response, if the complaint has not 6.7
been satisfactorily adjusted and the grievance committeeman decides that the employee's complaint is proper, he may refer it to the Second Step within 5 days of receipt of the foreman's response, shall make the appropriate notation on the above form and shall submit a copy to the Department Superintendent.

SECOND STEP (Oral)

Complaints properly presented in this step of 6.8
the grievance procedure shall be discussed between the department grievance committeeman and the superintendent of the department or his designated operating representative (hereinafter the superintendent) not later than seven days from the date of the First Step referral. The Company will provide the Union with a list of the Company's Second Step representatives. The

discussion of the complaint shall be at reasonable times and of reasonable duration.

6.9 The grievance committeeman and the superintendent shall be responsible for conducting the Second Step hearing.

6.10 The Second Step participants shall include, unless otherwise mutually agreed, the employee, (or a limited number of the employees), the foreman, and other witnesses who are involved in the case. Such additional participants shall not relieve the grievance committeeman and the superintendent from responsibility for solving the problem. The superintendent shall give his response to the complaint within five days from the date of the Second Step hearing. The superintendent shall have the authority to settle the complaint. The grievance committeeman shall have the authority to settle, withdraw or refer the complaint to the general grievance committeeman.

6.11 If the complaint is not resolved in the Second Step, a written grievance record (hereinafter referred to as the grievance record) shall be developed by the superintendent and the grievance committeeman within three days from the date of the superintendent's response. The grievance record shall contain a statement of the grievance, including the remedy sought, as prepared by the grievance committeeman, all agreed-to facts, all facts disputed by either party, contractual reliance, and the superintendent's response and reasons for his position. A copy of the grievance record shall be immediately submitted to the general grievance committeeman and the Works Manager's Representative.

THIRD STEP (Written)

6.12 In the event no settlement of the complaint is arrived at in the Second Step of this procedure,

the general grievance committeeman may appeal the grievance including the grievance record to the Works Manager's Representative not later than fifteen days subsequent to the date of receipt of the grievance record by the general grievance committeeman from the superintendent of the department. The written appeal to this step within the framework of the facts or allegations set forth in the statement of the grievance may present additional clarification or restatement of the grievance or the remedy sought. On receipt of such an appeal, the Works Manager's Representative will, in writing, notify the general grievance committeeman of the time, date and place of the hearing on the grievance, which shall be not later than ten days subsequent to date of receipt of the appeal unless otherwise agreed in writing.

No grievance appealed from the Second Step shall be considered in the Third Step in the absence of a full grievance record, unless the facts are not available to the Second Step participants. Therefore, if additional facts are needed, the grievance shall be referred back for further consideration or discussion in the appropriate prior step in accordance with the procedures and time limits of that prior step. **6.13**

The Works Manager's Representative shall have the authority to settle the grievance. The general grievance committeeman shall have the authority to settle, withdraw or refer the grievance to the Union's Fourth Step Representative. **6.14**

Answer to the grievance in this step shall occur not later than fifteen days subsequent to the date of the hearing unless otherwise mutually agreed. **6.15**

FOURTH STEP (Written)

Grievances not settled in the Third Step may **6.16**

e appealed to representatives of the National )rganization of the Union and the representa- ves of the executives of the Company.

No grievances shall be permitted to progress to this step without review by the District Union xecutive. **6.17**

No grievance shall be processed in the Fourth tep until a full grievance record has been devel- ped. In the event that a complete record has not een developed, the grievance shall be referred ack for further consideration or discussion in the opropriate prior step in accordance with the pro- edures and time limits of that prior step. **6.18**

Notice of appeal may set forth the objection to evious disposition of the grievance in relation to e section of the Agreement under which the ievance was filed in the Third Step. The notice appeal within the framework of the facts or egations set forth in the statement of the griev- ce may present additional clarification of the evance or the remedy sought. Said appeal all be filed not later than ten days subsequent the date of receipt of the Third Step answer d shall set forth whether or not the appealing rty desires a hearing. **6.19**

In exceptional cases, however, where the ion can satisfactorily demonstrate that the fail- e of the Union representative charged with the sponsibility for such appeal was caused by nditions justifiable under the circumstances d does, in fact, appeal within ten days from the e of the default, the appeal shall be accepted though it had been timely. The Company's lia- ty for any retroactive payments resulting from application of the preceding sentence shall clude the period of the delay in the appeal. **6.20**

It shall be the purpose of the Fourth Step to iew cases for application of the basic **6.21**

Agreement and to provide the Fourth Step Representatives of the parties an opportunity to review the cases for possible adjustment in that step. It is the intent of the parties that their representatives exert all reasonable efforts to resolve cases at this step.

Discussion of the appealed grievance shall take place at the earliest date of mutual convenience following receipt of the notice of appeal, but not later than thirty days thereafter. Fourth Step meetings shall not be postponed except in unusual circumstances. Any party requesting a postponement shall do so in writing, giving the reason therefor and stating that the meeting shall take place at a prompt later date. A copy of the written postponement request shall be included with the quarterly report provided for in Appendix J-Paragraph 1. **6.22**

Grievances discussed in such meeting shall be answered in writing by the Fourth Step Representative of the Company within ten days after the date of such meeting. Such written answer shall be attached to the grievance record. **6.23**

The Company's Fourth Step Representative shall have the authority to settle the grievance. The Representative of the International Union shall have the authority to settle, withdraw or appeal the grievance, including the grievance record, to arbitration. **6.24**

*FIFTH STEP*

In the event settlement of the grievance is not reached in the Fourth Step, the matter may be appealed to the arbitration proceeding hereinafter established. **6.25**

Notification of desire to appeal to arbitration shall be made known to the other party and to the Chairman of the Board of Arbitration in writing not later than ten days subsequent to date of **6.26**

receipt of the Fourth Step Answer.

**C. General Provisions**

**1.** Failure to appeal complaints or grievances within the specified time limits provided shall establish settlement on the basis of decision last made. Unless there is mutual agreement to extend the time periods set forth herein, a complaint or grievance may be appealed to the next step by following the specified procedure. **6.27**

**2.** To avoid the necessity of processing numerous grievances concerning the same subject or event, one grievance will be processed until settled. The alleged additional violations concerning the same subject or event will be processed through the Third Step, and if not settled, may, by agreement between the parties, be held in abeyance pending the settlement of the first grievance on the concerned subject or event. Such additional grievance(s) shall be presented promptly after the occurrence on which it is based. When the grievance on which these grievances are being held in abeyance is settled, the parties shall review the grievances in abeyance for application of such settlement. If any such grievance is not settled by this review, it shall be further processed in accordance with the procedures contained in this Section. **6.28**

**3.** Complaints or grievances to be considered in the above procedure must be presented promptly after the occurrence thereof, or where applicable within the time limit elsewhere specified in this Agreement and in the proper step of the grievance procedure. **6.29**

**4.** Complaints or grievances which are not filed initially in the proper step of the grievance procedure shall be referred to the proper step for discussion and answer by the Company and Union representatives designated to handle com- **6.30**

plaints or grievances in such step. It is understood, however, that the general grievance committeeman may also file a grievance in the Third Step alleging a violation of Subsection IV-7.

**5.** In the event that the Company proposes to assert the untimely filing of a grievance or that the grievance procedure has not been properly followed, as a defense to such grievance, the Company shall within five days of the receipt by the Works Manager's Representative of the grievance and its grievance record from the Second Step parties give to the general grievance committeeman written notice of its intention to use such defense and the reason for such defense. Failure to do this shall be deemed a waiver of such defense in that case, but shall not serve as precedent in other grievance cases or to prejudice the Company's right to raise such defense in other cases. **6.31**

**6.** The settlement of a complaint in the First and Second Steps of the grievance procedure shall not constitute a precedent in settlements in the grievance and arbitration procedure. **6.32**

**7.** Except as used in Subsections E-1-b and E-2 of this Section, "days" as referred to throughout this Section shall be calendar days and shall not include Saturdays, Sundays or recognized Holidays. **6.33**

**8.** Management may refuse to give consideration to any complaint or grievance unless it is taken up through the regular procedure. **6.34**

**9.** In any complaint or grievance settlement involving retroactive payments, the appropriate Union and Company representatives shall expeditiously determine the identity of the payees and the specific amount owed each payee. Payment shall be made promptly but, in any event, within 30 days after such determination. However, in **6.35**

cases involving large numbers of employees, extended periods of retroactivity or complex incentive applications in order to expedite payment, the parties shall, wherever possible, agree upon the identity of the payees and the specific procedures for determining the amounts owed or equitable approximations of such amounts. Management commits itself, following such agreement, to make payment at the earliest date in light of the procedures agreed upon and will, within two weeks following such agreement, notify the Grievance Committee of the date when such payment will be made.

**10.** Upon reasonable notice to and approval **6.36**
*by his immediate supervisor, a recognized griev*ance committeeman will be granted, without pay, time off his job for the purpose of presenting, investigating, hearing or settling alleged complaints or grievances.

**11. Union Grievances**

The grievance procedure may be utilized by **6.37**
the Union in processing complaints or grievances which allege a violation of the obligations of the Company to the Union as such. In processing such complaints or grievances, the Union shall observe the specified time limits in appealing and the Company shall observe the specified time limits in answering. In the event an employee dies, the Union may process on behalf of his legal heirs any claim he would have had relating to any monies due under any provision of this *Agreement*.

**12. Suspension of Grievance Procedure**

Cases directly involved in strikes or work stop- **6.38**
pages will not be processed further until work is resumed. In the event of strikes or work stoppages, the Union will proceed immediately to get the concerned employees in compliance with this Agreement.

**13. Waiver of Grievance Procedure**

The above procedure has been provided for the expeditious and equitable adjustment of complaints or grievances and any complaint or grievance, to receive consideration, must be so processed. It is understood, however, that nothing herein shall prevent either the Company or the Union from agreeing to waive one or more steps of the procedure or from agreeing to submit a grievance directly to the Board of Arbitration. **6.39**

**14. Access to a Plant**

The District Director and the representative of the Union who customarily handles grievances from a plant in the Fourth Step or the Fifth Step shall have access to the plant, subject to established rules of the plant, at reasonable times to investigate grievances with which he is concerned. **6.40**

**The Local Union President will be permitted access to the plant at reasonable times when necessary to transact legitimate union business pertaining to the administration of the applicable agreements between the parties after notice to the Manager-Labor Relations or his designated representative. Should it become necessary for the Local Union President to visit other departments of the plant to transact such union business at a time when he is at work, he shall be granted such time off without pay as necessary for such purpose after release from duty (which shall not be unreasonably withheld) by his own department head or his designated representative and clearance from the Manager-Labor Relations or his designated representative.** **6.40.1**

## D. Union Grievance Representation

1. The division of the respective Works into zones, which have been established, shall remain in effect. Any change must be agreed to by the Works Manager's Representative and the Union. **6.41**

2. The actual number of members of the grievance committee at each Works shall be mutually agreed upon between the representative of the Works Manager and the Union (but in no case shall there be less than three (3) or more than fifteen (15) members) and provided there shall be no more than one grievance committeeman in any department. A grievance committeeman may, if the local Union so elects, appoint assistant grievance committeemen. Such assistants, to a maximum of three (3) per zone, or more as may be mutually agreed upon between Management and the Union, shall be provided the same treatment as grievance committeemen except that they may handle complaints only in the First Step of the grievance procedure and they shall not be entitled to the benefits of Subsection I of Section XIII-Seniority. **6.42**

3. Only employees of a Works may serve as grievance committeemen or assistant grievance committeemen for that Works. The Union shall certify to the Company the names of the employees it designates as grievance committeemen and assistant grievance committeemen. **6.43**

4. It is agreed that each local Union may, if it so elects, designate one (1) grievance man per local Union to serve as a general grievance committeeman (except the Aliquippa local Union shall be permitted two (2) general grievance committeemen). The general grievance committeemen shall assist zone committeemen in settling complaints or grievances and shall act as the Union **6.44**

representative in the Third Step of the grievance *procedure.*

**5.** When the general grievance committee- **6.45**
man meets with the Works Manager's designated representatives, other committeemen will meet with them only on grievances pertaining to their zone.

**6.** At all grievance committee meetings with **6.46**
the Management, only Works' employees with grievance committee credentials from the Union will be accepted.

**7.** In all complaints or grievances heard by **6.47**
either the department superintendent or other representatives of the Management and the grievance committeemen, it shall be admissible for either to bring in a limited number of employees of the Company who are involved in the complaint or grievance or who may aid in its solution. It shall be the *responsibility* of the party requesting such witnesses to arrange for their attendance by securing approval of supervision and giving due regard to interference with operations. (Persons attending a hearing at the Union's *request will receive no pay from the Company for* the time involved.) Such witnesses will be admitted to the meeting for the express purpose of rendering testimony and shall be excused as soon as they have made their statements.

***E. Effective Date of Grievance Settlement***

Except as otherwise provided in this **6.48**
Agreement, the effective date of a case settlement may or may not be retroactive as the equities of particular cases may demand, but the following limitations shall be observed in any case where the settlement is retroactive:

**1.** The effective date for adjustment of com- **6.49**
plaints or grievances relating to:

**a.** Suspension and discharge cases or **6.50**

cases involving rates of pay for new or changed jobs or incentives shall be determined in accordance with the provisions of Section VIII-Discharge Cases and Section IX-Rates of Pay, respectively, of this Agreement.

**b.** Seniority cases shall be the date of the occurrence or non-occurrence of the event upon which the grievance is based, but in no event earlier than 30 days prior to the date on which the complaint was first presented, except as otherwise provided in Section XIII-Seniority. **6.51**

**c.** Rates of pay (other than new or changed jobs or incentives), shift differentials, overtime, holidays, jury pay, Sunday premium, *allowed time, vacations, and any other matter* which is not of a continuing nature, shall be the date of the occurrence or non-occurrence of the event upon which the complaint or grievance is based. **6.52**

**2.** The effective date for adjustment of complaints or grievances involving matters other than those referred to in Paragraphs a, b, and c above, and which are of a continuing nature, shall be no earlier than 30 days prior to the date the complaint or grievance was first presented. **6.53**

## SECTION VII – ARBITRATION PROCEDURE

### A. Board of Arbitration

There is hereby established a Board of Arbitration whose headquarters shall be at Cleveland, Ohio, and whose operations shall take place in Cleveland, Ohio, unless otherwise agreed. **7.1**

There shall be a Chairman of the Board who shall serve in accordance with the conditions mutually agreed upon by the parties. **7.2**

In the event of resignation, physical incapacity or death, or the conclusion of his services in **7.3**

accordance with the aforementioned agreement of the parties, the parties will, within thirty days of such termination of his services, meet to mutually select a successor.

7.4 The Chairman shall be engaged on an annual retainer and fee per day basis and expenses, which shall be borne equally by the Company and the Union.

7.5 The Chairman may use the services of additional arbitrators to hear specific cases assigned to them. Such additional arbitrators and the terms and conditions under which they shall serve shall be subject to the approval of the designated representatives of the parties.

7.6 Within fifteen days after the signing of this Agreement, the Union and the Company shall certify to each other the name of its designated representative. The respective designated representatives shall receive copies of appeals to arbitration and copies of all other papers required by the arbitration procedure.

7.7 Grievances may be appealed only from the decision in the Fourth Step if appealed in accordance with the provisions of Section VI, and such appeal can be only to the Board. The party making such appeal shall prepare, in quadruplicate, within ten days of the date of notification to the other party and the Chairman, all papers relating to the case and serve said papers upon the Chairman. The Chairman will assign a sequential arbitration number to the case, retain the original and forward a copy to each of the parties. The Chairman will schedule the case for the Board's consideration in accordance with the arbitration number assigned the case.

7.8 It is the intent of the parties that all data relative to the case will have been developed in the prior steps of the grievance procedure so that the

record will be complete at the time the case is forwarded to the Board.

7.9 The Board shall follow the rules and regulations established by the parties as to procedure and administration except as they hereafter may be modified by written agreement of the parties after consultation with the Chairman of the Board.

7.10 The Company agrees that it shall not subpoena or call as a witness in arbitration proceedings any employee from a P&M or O&T bargaining unit in the plant from which the grievance arises. The Union agrees that it shall not subpoena or call as a witness in such proceedings any non-bargaining unit employee.

7.11 The decision of the Board will be restricted as to whether a violation of the Agreement, as alleged in the written grievance including the grievance record (as it may have been modified pursuant to marginal paragraph 6.12 or 6.19, or by mutual agreement of the parties) exists and, if a violation is found, to specify the remedy provided in this Agreement. In reaching its decision the Board may determine whether or not a Section or Subsection of the Agreement was violated even though it was not one of those listed in the grievance as entered.

7.12 The Board shall have jurisdiction and authority to apply, interpret or determine compliance with the sections of the Agreement but may, in no case, add to, detract from or alter in any way any of the provisions of the sections. The Board shall also have jurisdiction and authority only to interpret, apply or determine compliance with respect to the Insurance Agreement between the parties, including the Program of Insurance Benefits (PIB), in order to dispose of grievances properly arising under Section XIX of this Agreement. The

Board shall not have jurisdiction or authority to add to, detract from, or alter in any way the provisions of the Insurance Agreement (including PIB).

Decisions of the Board shall be final and binding on the Union, the Company and the concerned employees. 7.13

Except as otherwise provided in this Agreement for the settlement or determination of grievances, awards of the Board may or may not be retroactive as the equities of particular cases may demand, but the following limitations shall be observed in any case where the Board's award is retroactive: 7.14

1. The effective date for adjustment of grievances relating to: 7.15

**a.** Suspension and discharge cases or cases involving rates of pay for new or changed jobs or incentives shall be determined in accordance with the provisions of Section VIII-Discharge Cases and Section IX-Rates of Pay, respectively, of this Agreement. 7.16

**b.** Seniority cases shall be the date of the occurrence or nonoccurrence of the event upon which the grievance is based, but in no event earlier than 30 days prior to the date on which the complaint was first presented, except as otherwise provided in Section XIII-Seniority. 7.17

**c.** Rates of pay (other than new or changed jobs or incentives), shift differentials, overtime, holidays, jury pay, Sunday premium, allowed time, vacations, and any other matter which is not of a continuing nature, shall be the date of the occurrence or nonoccurrence of the event upon which the grievance is based. 7.18

2. The effective date for adjustment of grievances involving matters other than those referred to in Paragraphs a, b, and c above, and which are 7.19

of a continuing nature, shall be no earlier than 30 days prior to the date the grievance was first presented.

**3.** Awards of the Board involving the payment of monies for a retroactive period shall be implemented promptly by the parties in accordance with Subsection VI-C-9 of this Agreement. **7.20**

**B. Expedited Arbitration Procedure**

Notwithstanding any other provision of this Agreement, the following expedited arbitration procedure is designed to provide prompt and efficient handling of routine grievances, including certain grievances concerning discipline as provided in Appendix J of this Agreement. **7.21**

**1.** *The expedited arbitration procedure shall* be implemented in light of the circumstances existing in each plant, with due regard to the following: **7.22**

**a.** In accordance with the understanding made by the staff representative of the Union designated pursuant to the Basic Labor Agreement and his Company counterpart, the local union and the local management shall appeal the grievance to an arbitrator under this expedited arbitration procedure by mutual agreement of the parties. **7.23**

**b.** The appeal shall be made within 10 calendar days of receipt of the Third Step Answer. **7.24**

**c.** All grievances appealed to the Fourth Step of the grievance procedure shall be reviewed by each respective Fourth Step Representative, and within 10 days after receipt of appeal of such grievance, either Fourth Step Representative may communicate with the other and then jointly determine whether such grievance does not warrant disposition in the Fourth *Step but is rather appropriate for expedited arbi-* **7.25**

tration and therefore agree to refer such grievance back to the Third Step parties for review and disposition. Any grievance so referred back to the Third Step parties and for which no agreement can be reached for disposing of the same, may then be appealed by the general grievance committeeman to the expedited arbitration procedure. Such appeal shall be made within 15 days (excluding Saturdays, Sundays, and Holidays) after the date the grievance is referred to the Third Step. If the grievance is not so appealed to the expedited arbitration procedure, it shall be considered withdrawn.

**d.** As soon as it is determined that a grievance is to be processed under this procedure, the local parties shall notify the Administrative Secretary of the area panel. The appeal shall include the date, time and place for the hearing. Thereafter, the Rules of Procedure for Expedited Arbitration shall apply. **7.26**

**2.** The hearings shall be conducted in accordance with the following: **7.27**

**a.** The hearings shall be informal.

**b.** No briefs shall be filed or transcripts made.

**c.** There shall be no formal evidence rules.

**d.** Each party's case shall be presented by a previously designated local representative.

**e.** The Arbitrator shall have the obligation of assuring that all necessary facts and considerations are brought before him by the representatives of the parties. In all respects, he shall assure that the hearing is a fair one.

**f.** If the Arbitrator or the parties conclude at the hearing that the issues involved are of such complexity or significance as to require further consideration by the parties, the case shall be

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referred to the Fourth Step and it shall be processed as though appealed on such date.

3. The Arbitrator shall issue a decision no later than 48 hours after conclusion of the hearing (excluding Saturdays, Sundays and Holidays). His decision shall be based on the records developed by the parties before and at the hearing and shall include a brief written explanation of the basis for his conclusion. These decisions shall not be cited as a precedent in any discussion at any step of the grievance or arbitration procedure. The authority of the Arbitrator shall be the same as that provided in Sections VII and VIII of the Agreement. **7.28**

4. Any grievance appealed to this expedited arbitration procedure must be confined to issues which do not involve novel problems and which have limited contractual significance or complexity. **7.29**

## SECTION VIII – DISCHARGE CASES

In the exercise of its rights as set forth in Section III, Management agrees that no employee, other than a probationary employee, shall be peremptorily discharged, but that in all instances in which Management may conclude that an employee's conduct may justify suspension or discharge, he shall be first suspended. Such initial suspension shall be for not more than five (5) calendar days. During this period of initial suspension the employee may, if he believes that he has been unjustly dealt with, request a hearing and a statement of the offense before his department superintendent, or the representative of the Works Manager with or without the member or members of the grievance committee present as he may choose. **8.1**

At such hearing the facts concerning the case **8.2**

shall be made available to both parties. After such hearing, or if no such hearing is requested, Management may conclude whether the suspension shall be converted into a discharge or, dependent upon the facts of the case, that such suspension may be extended or revoked. If the suspension is revoked by the Company, the Company shall reinstate and compensate the employee affected on the basis of an equitable lump sum payment mutually agreed to by the parties or, in the absence of agreement, make him whole in the manner set forth in the immediately following paragraph. In the event a disposition shall result in either the affirmation or extension of the suspension or discharge of the employee, the employee may, within five (5) calendar days after such disposition, allege a grievance in the Third Step of the grievance procedure to be handled in accordance with the procedures of Section VI-Adjustment of Complaints and Grievances, Section VII-Arbitration Procedure and Appendix J-Grievance and Arbitration.

The Third Step hearing on all suspension or **8.3** discharge cases shall be held within five (5) days after the grievance is filed and the Company's answer shall be made within five (5) days from the date of the Third Step hearing unless such time limits are extended by mutual agreement. Should it be determined by the Company or by the Board of Arbitration in accordance with Section VII of the Agreement that the employee has been discharged or suspended unjustly, the Company shall reinstate the employee and make him whole for the period of his suspension or discharge, which shall include providing him such earnings and other benefits as he would have received except for such suspension or discharge, and offsetting such earnings or other

amounts as he would not have received except for such suspension or discharge. In suspension and discharge cases only, the Board may, where circumstances warrant, modify or eliminate the offset of such earnings or other amounts as would not have been received except for such suspension or discharge. Grievances involving discharge which are appealed to the Board shall be docketed, heard, and decided within sixty (60) days of appeal, unless the Board determines that circumstances require otherwise.

**8.4** Should it be determined by the Board that an employee has been suspended or discharged for proper cause, the Board shall have jurisdiction to modify the degree of discipline imposed by the Company. In the event the Board modifies the discipline, the Board shall have discretion to reduce or not require the Company to pay the compensation provided in the immediately preceding paragraph if, in its judgment, the facts warrant such an award.

**8.5** When an employee is reprimanded or suspended, he shall be given a copy of the Suspension Reprimand Notice and another copy will be placed in his permanent employment record. A third copy shall be mailed promptly to the Local Union President.

**8.6** An employee who is summoned to meet in an office with a supervisor other than his own immediate supervisor for the purpose of discussing possible disciplinary action shall be entitled to be accompanied by his grievance committeeman or assistant grievance committeeman if he requests such representation, provided such representative is then available, and provided further that, if such representative is not then available, the employee's required attendance at such meeting shall be deferred only for such time during that

shift as is necessary to provide opportunity for him to secure the attendance of such representative.

The Company in arbitration proceedings will not make use of any personnel records of previous disciplinary action against the employee involved where the disciplinary action occurred five or more years prior to the date of the event which is the subject of such arbitration. **8.7**

## SECTION IX – RATES OF PAY

### A. Standard Hourly Wage Scales

**1.** The standard hourly wage scales of rates for the respective job classes shall be those set forth in Appendix A of this Agreement. **9.1**

### B. Application of the Standard Hourly Wage Scales

**1.** The standard hourly wage scale rate for each job shall be as set forth in Appendix A for non-incentive jobs and for incentive jobs. In addition: **9.2**

**a.** A schedule of trade or craft rates **and rates applicable to multiple-rated jobs**, containing: (1) a standard rate equal to the standard hourly wage scale rate for the respective job class of the job; (2) an intermediate rate at a level two job classes below the standard rate; and (3) a starting rate at a level four job classes below the standard rate, is established for each of the following repair and maintenance trade or craft jobs: **9.3**

| | |
|---|---|
| Blacksmith | Machinist |
| Boilermaker | Millwright |
| Boilermaker-Ironworker | Mobile Equipment Mechanic |
| Bricklayer | Motor Inspector |
| Carpenter | Moulder |
| **Coremaker** | |

**Die Sinker (Die Rolls)**
Electrician (Armature Winder)
Electrician (Lineman)
Electrician (Wireman)
Electrician (Shop)
Electronic Repairman
Instrument Repairman
Lead Burner
Painter
Pattern Maker
Pipefitter
**Refrigeration Repairman**
Rigger
Roll Turner
Sheet Metal Worker
**Tool and Diemaker**
Welder

With respect to the following repair and maintenance trade or craft jobs, refer to Appendix EE.

Carpenter/Painter
Crane Millwright-Special
Electronic/Instrument Repair Technician
Heating and Air Conditioning Technician
Ironworker
Machinist-Special
Maintenance Technician-Electrical
Maintenance Technician-Mechanical
Millwright-Special
Mobile and Locomotive Equipment Repair Technician
Motor Inspector-Special
Pipefitter/Welder

**b.** A schedule of apprentice rates for the respective apprentice training periods of 1040 hours of actual training experience with the Company in the trade or craft in each training period is established at the level of the standard hourly wage scale rates for the respective job classes as follows: (See next page) **9.4**

**2.** Each hourly wage rate established under the foregoing Paragraph 1 of this Subsection B and as set forth in Appendix A, Table A, is recognized as the rate of a fair day's pay on the job and **9.5**

the established rate of pay for all hours of work on a non-incentive job.

**3. a.** Each standard hourly wage rate established under the foregoing Paragraph 1 of this Subsection B and as set forth in Appendix A, Table A-1 is recognized as the rate of a fair day's pay on the job and is the established minimum rate of pay for the purposes of minimum guarantee set forth in Subsection F of this Section. **9.6**

**b.** In addition, for each hour worked on an incentive job the applicable hourly additive in Appendix A, Table A-1, shall be added to incentive earnings calculated on the applicable incentive calculation rate in Appendix A, Table A-1. **9.7**

APPRENTICE RATE SCHEDULE

| Trade or Craft Apprenticeship | Training Periods of 1040 Hours 1st | 2nd | 3rd | 4th | 5th | 6th | 7th | 8th |
|---|---|---|---|---|---|---|---|---|
| | Job Classes | | | | | | | |
| Blacksmith | 6 | 7 | 8 | 9 | 10 | 11 | 12 | – |
| Boilermaker | 6 | 7 | 8 | 9 | 10 | 11 | 12 | – |
| Boilermaker–Ironworker | 6 | 7 | 8 | 9 | 10 | 11 | 12 | – |
| Bricklayer | 6 | 7 | 8 | 9 | 10 | 11 | 12 | – |
| Carpenter | 5 | 6 | 7 | 8 | 9 | 10 | – | – |
| Coremaker | 4 | 5 | 6 | 7 | 8 | 9 | – | – |
| Die Sinker (Die Rolls) | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| Electrician | | | | | | | | |
| (Armature Winder) | 5 | 6 | 7 | 8 | 9 | 10 | 11 | – |
| (Lineman) | 6 | 7 | 8 | 9 | 10 | 12 | – | – |
| (Wireman) | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| (Shop) | 5 | 6 | 7 | 8 | 9 | 10 | 11 | – |
| Electronic Repairman | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| Instrument Repairman | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| Lead Burner | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| Machinist | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| Millwright | 5 | 6 | 7 | 8 | 9 | 10 | 11 | – |
| Mobile Equipment Mechanic | 5 | 6 | 7 | 8 | 9 | 10 | 11 | – |
| Motor Inspector | 5 | 6 | 7 | 8 | 9 | 10 | 11 | – |
| Moulder | 5 | 6 | 7 | 8 | 9 | 10 | 11 | – |
| Painter | 5 | 6 | 7 | 8 | – | – | – | – |
| Pattern Maker | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| Pipefitter | 5 | 6 | 7 | 8 | 9 | 10 | – | – |
| Refrigeration Repairman | 5 | 6 | 7 | 8 | 9 | 10 | 11 | – |
| Rigger | 6 | 7 | 8 | 9 | 10 | 11 | – | – |
| Roll Turner | 6 | 7 | 8 | 9 | 10 | 11 | 12 | – |
| Sheet Metal Worker | 6 | 7 | 8 | 9 | 10 | 11 | 12 | – |
| Tool and Diemaker | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| Welder | 6 | 7 | 8 | 9 | 10 | 11 | – | – |

**4.** The established rate of pay for each production or maintenance job, other than a trade or craft or **multiple-rated job** or apprentice job, shall apply to any employee during such time as the employee is required to perform such job. **9.8**

**5.** The applicable trade or craft rate **or multiple-rated job rate** shall apply to each such employee during such time as the employee is assigned to his respective rate classification in accordance with the applicable provisions of the August 1, 1971 Manual identified in Subsection IX-D. **9.9**

**6.** The established apprentice rates of pay shall apply to an employee in accordance with the apprentice training periods as defined respectively in Paragraph 1-b of this Subsection B. **9.10**

**7.** The job classification of each of the Trade and Craft jobs listed in Subsection IX-B-1-a has been increased by two full job classes. This has been required in view of the impact of technological changes on Trade and Craft jobs. This addition has been identified as a Trade or Craft convention and recorded as a separate item in Factor 7 of the agreed-upon classification. **9.11**

**8. The Company may continue learner jobs where such jobs are now in existence and may establish additional learner jobs by mutual agreement with the Union.** **9.11.1**

**Learner jobs are not to be described nor classified, but shall be assigned to a job class four job classes below the job class of the job being learned, except that an Employee transferred from another job to a learner job shall remain in the job class for his former job unless, by mutual agreement between the Union and Management, he shall be assigned to a lower job class.** **9.11.2**

**An Employee shall be assigned to a learner job only until he can perform satisfactorily the job for which he is being trained and in no event for more than 520 hours of actual work.** 9.11.3

**C. New or Changed Incentives**

1. The Company, at its discretion, may establish new incentives to cover (a) new jobs; (b) jobs not presently covered by incentive applications; (c) jobs covered by an existing incentive plan where, during a current three-month period, the straight-time average hourly earnings of employees under the plan are equal to or less than the average of the standard hourly wage rates for such employees; or (d) jobs covered by an incentive application installed prior to the August 1, 1969 Incentive Arbitration Award which does not afford earnings opportunities equal to or above the applicable earnings opportunity prescribed by said Award. 9.12

**2. a. Minor Changes**

Where (a) significant new work or repetitive unmeasured work of a non-experimental nature is performed by employees working under an incentive or (b) a change in relevant conditions occurs which affects the validity of the standards to a minor extent, appropriate additional or modified standards shall be established at the earliest practicable date and made effective as of the date of first occurrence of such minor changed condition. Such new standards shall be designed to preserve the earning opportunity provided under the incentive over a representative period prior to the inception of the changed condition or conditions. 9.13

**b. Major Changes**

The Company shall establish new incentives to replace existing incentive plans when they require replacement because of major new or 9.14

changed conditions resulting from mechanical improvements made by the Company in the interest of improved methods or products, or from changes in equipment, manufacturing processes or methods, materials processed, or quality or manufacturing standards. In the event that Management cancels an incentive plan pursuant to this paragraph and desires to establish an interim period pending installation of the new incentive application, the following shall apply:

**(1)** The interim period shall continue until Management installs the new incentive application which shall be at the earliest practicable date following cancellation of the incentive plan to be replaced but not later than six months from such cancellation unless such period is extended by mutual agreement between Management and the Local Union Incentive Committee (as hereinafter established). **9.15**

**(2)** Each employee on the respective job during the interim period shall receive, in addition to the applicable standard hourly wage scale rate in Appendix A, Table A-1, and the applicable hourly additive, a special hourly interim allowance equal to the percentage equivalent of the straight-time average hourly earnings (which do not include the applicable hourly additive) above the standard hourly wage rate in Appendix A, Table A-1 of the job during the six (6) pay periods immediately preceding cancellation of the incentive plan, provided the average performance of such six (6) pay periods is maintained. If the job involved is a new job, the interim allowance shall be the applicable average interim allowance found by relating the job requirements of such new job to the job requirements of the existing jobs under the cancelled incentive plan and shall be based solely on the incentive earnings (including applicable occu- **9.16**

ational earnings differential) of the related job(s) nder the cancelled incentive plan.

**(3)** Such special hourly interim allowance hall be identified with the job; apply to any mployee while on such job; and continue in ffect until the replacement of the cancelled ncentive plan becomes effective. **9.17**

**(4)** In case an employee or group of employees receiving a special hourly interim allowance voluntarily maintains a performance (not attributable to the equipment itself) appreciably below hat of the six pay periods immediately preceding cancellation of the incentive plan, after notification to such employee and the grievance or assistant grievance committeeman representing the employee affected, application of the special hourly interim allowance may be suspended during such further portion of the interim period as the lower rate of performance voluntarily is maintained. **9.18**

**3.** Such new incentives or additional or modified incentive standards shall be established in accordance with the following procedure: **9.19**

**a.** Management will develop the proposed new incentive or additional or modified incentive standards; **9.20**

**b.** The proposal will be submitted to the Local Union Incentive Committee along with such additional employees representative of those affected by the proposal as the Local Union Incentive Committee and Management shall deem appropriate. Management shall explain the incentive for the purpose of arriving at agreement with such Committee as to its installation. Management shall, at such time, furnish such explanation with regard to the development and determination of the new incentive as shall reasonably be required in order to enable the Local **9.21**

Union Incentive Committee and such employees to understand how such new incentive or additional or modified incentive standards were developed and determined and shall afford to them a reasonable opportunity to be heard with regard to the proposed new incentive or additional or modified incentive standards;

**c.** If agreement is not reached, the matter shall be reviewed in detail by the Local Union Incentive Committee and Management for the purpose of arriving at mutual agreement as to installation of the new incentive or additional or modified incentive standards; **9.22**

**d.** Should agreement not be reached, the proposed new incentive or additional or modified incentive standards may be installed by Management, and the employees affected shall give the incentive application a fair trial. The Local Union Incentive Committee may at any time after 90 days, but within 180 days following installation, file a grievance in the Third Step of the grievance and arbitration procedure. **9.23**

If additional or modified incentive standards are installed under Section IX, Subsection C-2a, such grievance shall be confined to the allegation that the additional or modified incentive standards considered together do not provide incentive earnings opportunity, when working on incentive, in accordance with Section IX, Subsection C-2a. If any such grievance be submitted to the arbitration procedure, the Board shall decide the question of incentive earnings opportunity under the additional or modified incentive standards in accordance with Section IX, Subsection C-2a. **9.24**

If the new incentive is an Equipment Utilization Type Incentive Plan under the Memorandum of Understanding dated **9.25**

September 25, 1951, as amended, refer to item 10 of that agreement.

If the new incentive is a Non-Equipment Utilization Type Incentive Plan under the Supplemental Incentive Memorandum, dated August 4, 1956, as amended, refer to Paragraph D of that agreement. **9.26**

**e.** Notwithstanding the provisions of any other part of the **1999** Basic Labor Agreement, should the Board of Arbitration in deciding the question of incentive earnings opportunity or equitable incentive earnings opportunity, whichever is appropriate for the type of incentive plan in dispute, find that the incentive plan does not provide the contractually required level of opportunity, the Board shall have the authority to specify in its Award the amount of the adjustment n incentive opportunity to be made in the incentive plan. It will continue to be the Company's responsibility to make such adjustment to the ncentive plan as it deems appropriate in order to mplement the Award of the Board. This paragraph shall apply to all types of incentive plans provided under the terms of the **1999** Basic Labor Agreement. **9.27**

**f.** In the event Management does not develop a new incentive or additional or modified ncentive standards as required under Section IX, Subsection C-2, the Local Union Incentive Committee may, within six pay periods after the alleged changed condition(s), file a grievance in he Third Step of the grievance and arbitration procedure requesting, as appropriate to the degree of change, that a new incentive be developed and installed to replace the existing incentive or that appropriate additional or modified standards be established. Any such grievance shall include a statement of the alleged changed **9.29**

condition(s) including approximate date(s) of such alleged change(s). If such grievance be submitted to the arbitration procedure, the Board shall decide whether a changed condition(s) has occurred which would require replacement of the existing incentive plan or establishment of appropriate additional or modified standards. If the Board decides that a change has occurred, the Company shall develop and install, as appropriate to the degree of change, a new incentive or appropriate additional or modified standards in accordance with the provisions of Section IX, Subsection C-3.

**4. a.** In the case of a new incentive required **9.30**
under Subsection C-2b. above, the incentive earnings (which do not include the applicable hourly additive) expressed as a percentage above the Appendix A, Table A-1 standard hourly wage rate on the replacement incentive plan for a job covered thereunder shall not be less than the percentage of incentive earnings (which do not include the applicable hourly additive) received as an average for that job under the replaced incentive plan during the six (6) pay periods immediately preceding cancellation of the plan, provided the average performance of such six (6) pay periods as developed for the conditions existing under the replaced incentive plan for the purpose of this paragraph is maintained. At Indiana Harbor Works, should the comparison of each job disclose that the incentive earnings under the new incentive application are less than the incentive earnings under the replaced incentive application, the incentive plan may be adjusted to eliminate such differential or the difference in incentive earnings will be designated as the occupational earnings differential and shall be identified with the given job and shall be paid to

ll employees, for all hours paid for on the job in ddition to the incentive calculation rate and ncentive earnings, if any, and the applicable dditive shown in Appendix A, Table **A-1**.

At Indiana Harbor Works where an existing **9.30.1** ncentive plan in effect on August 11, 1952 is eplaced by a new incentive, an employee workng on a job under the new incentive will be guarnteed as minimum earnings for the applicable umber of single or multiple 8 hour turns an mount not less than he would have earned at ne fixed occupational rate for the job under the eplaced incentive plan plus the applicable addive shown in Appendix A, Table **A-1**.

**b.** Whenever an existing incentive plan is **9.31** ancelled and Management as a result of the ew or changed conditions involved establishes new job which

**(1)** as an integral part of the production rocess, makes a significant contribution to xpected productivity, or

**(2)** performs some of the functions covred by the cancelled incentive plan and makes significant contribution to expected productivity.

Management shall cover such new job nder the replacement plan or a special hourly nterim allowance shall be provided pursuant to ubsection IX-C-2-b(2) above.

**(1)** For purposes of Subsection IX-C-4- **9.32** *above, the "percentage of incentive earnings"* pplied to any such job shall be the applicable verage percentage of incentive earnings found y relating the job requirements of such job to the ob requirements of the existing jobs under the ancelled incentive plan and shall be based sole- on the incentive earnings (including applicable ccupational earnings differential) of the related ob(s) under the cancelled incentive plan.

**(2)** In the event Management does not comply with the provisions of this Subsection IX-C-4-b above for the new job, the Local Union Incentive Committee may at any time within sixty (60) days of the date it is established file a grievance in the Third Step of the grievance and arbitration procedure. If any such grievance be submitted to the arbitration procedure, the Board shall decide the issue of compliance with the requirements above and the decision of the Board shall be effective as of the date when the new job was established. **9.33**

**c.** Under Equipment Utilization Type Incentive Plans, the earnings (which do not include the applicable hourly additive) to be paid employees when performance is less than the make-out point (74% Equipment Utilization) is set forth in item 9 of the Incentive Memorandum. **9.34**

**5. a.** Whenever the processing of new product is sufficiently developed so as to permit Management to intelligently establish appropriate sound standards and is processed in sufficient quantity, the Company shall promptly establish and install additional standards to the existing incentive plan to cover such new product. Incentive coverage for the processing of new product shall be applicable to the processing of new product under all incentive plans, including those incentive plans installed under the provisions of the August 1, 1969 Incentive Arbitration Award. **9.35**

**b.** When such new standards are established and added to an incentive plan, such new standards considered together shall provide not less than the average incentive earnings received, expressed as a percentage of the applicable Standard Hourly Wage Rate, for the job under the concerned incentive plan during the six **9.36**

(6) pay periods immediately preceding installation of the new standards, provided the average performance of such six (6) pay periods as developed for the conditions existing during the six (6) pay periods is maintained.

**c.** The proposed additional incentive standards shall be installed in accordance with the installation procedures outlined in Subsection IX-C-3-a, b and d above. **9.37**

**d.** The Local Union Incentive Committee may, after ninety (90) but within one hundred eighty (180) days following such installation of additional incentive standards, file a grievance in the Third Step of the grievance and arbitration procedure alleging that such additional incentive standards do not provide incentive earnings in accordance with Paragraph b. above. If any such grievance be submitted to the arbitration procedure the Board shall decide the question of incentive earnings under the new standards in accordance with Paragraph b. above. The decision of the Board shall be effective as of the date when the additional standards were put into effect. **9.38**

**e.** In the event Management does not establish additional standards for new product when required under Paragraph a., the Local Union Incentive Committee may, within six (6) pay periods, file a grievance in the Third Step of the grievance and arbitration procedure requesting that additional incentive standards be developed and installed for such new product in accordance with the provisions of Paragraphs a., b., and c. above. If the Board decides that such additional incentive standards would be required, the Company shall develop and install the new incentive standards effective as of the date the additional standards would have been required in **9.39**

accordance with Paragraph a. above.

**1.** At Indiana Harbor Works, prior practices and customs with respect to temporary incentive rates, and other incidental pay practices associated with incentives that are not in conflict with provisions of this Agreement, shall remain in effect. **9.39.1**

**6.** In the interest of effective administration of incentives and incentive grievances, a Local Union Incentive Committee is established for each Local Union in each plant. The Committee(s) shall consist of three members, two of whom shall be permanent members of which one shall be Chairman. The third member shall be the grievance committeeman from the area involving the subject incentive application. Where such application involves more than one area, the Union shall determine the appropriate grievance committeeman. The Local Union President shall appoint the two permanent members. Management shall provide additional materials and training for informing the permanent members of the Committee on matters relating to the development and administration of incentives. The Chairman of the Local Union Incentive Committee shall be permitted to initiate grievances into the grievance and arbitration procedure on behalf of employees affected by alleged violations of Subsection IX-C or IX-F. The Local Union Incentive Committee shall function as outlined in Subsection IX-C herein and for purposes of processing Subsection IX-C and Subsection IX-F grievances in the Third Step of the grievance and arbitration procedure, such Committee shall fulfill the functions of the Grievance Committeeman and the General Grievance Committeeman. **9.40**

**7.** The Checklist set forth in Appendix E-II is **9.41**

provided to serve as a guide for the parties in the full and orderly presentation of all applicable facts relating to complaints arising with respect to incentive matters. All information so developed shall be made a part of the grievance record of the Third Step before the grievance may be the subject of a Third Step Hearing. Additional information, especially that related to performance history or results of check time studies, if any, may be embodied in the grievance record during the processing of the grievance through the subsequent steps of the grievance and arbitration procedure.

**D. Description and Classification of New or Changed Jobs**

**9.42** In the interest of effective administration of the Job Description and Classification procedures as set forth in the August 1, 1971 Job Description and Classification Manual, a Local Union Job Classification Committee consisting of 3 employees designated by the Union shall be established for each Local Union in each plant.

**9.43** The job description and classification for each job in effect as of the date of this Agreement, shall continue in effect unless (1) Management changes the job content (requirements of the job as to the training, skill, responsibility, effort and working conditions) to the extent of one full job class or more; (2) the job is terminated or not occupied during a period of one year; or (3) the description and classification is changed in accordance with mutual agreement of officially designated representatives of the Company and the Union.

**9.44** When and if from time to time the Company, at its discretion, establishes a new job or changes the job content (requirements of the job as to training, skill, responsibility, effort and work-

*ing conditions) of an existing job to the extent of* one full job class or more, a new job description and classification for the new or changed job shall be established in accordance with the following procedure:

**1.** The August 1, 1971 *Job Description* and Classification Manual, (hereinafter referred to as the Manual) agreed to by the parties is hereby made a part of this Agreement and shall be used to describe and classify all new or changed jobs. *This procedure is not to be construed or interpreted* in any way as a license for any review of job descriptions and classifications currently in effect except as provided below: **9.45**

**a.** All new jobs including trade or craft *jobs, established on or after* August 1, 1971, shall be classified by the provisions set forth in the Manual. **9.46**

**b.** All jobs that are changed in job content (requirements of the job as to training, skill, *responsibility, effort or working conditions)* on or after August 1, 1971, shall be reclassified only in those factors affected by the change, using only Section V of the Manual- "The Basic Factors and Instructions For Their Application" and Section VI of the *Manual- "Convention's for Classification of* Designated Jobs" where applicable. When and if the net total of the changes in the factors affected equals less than one full job class, a supplementary record shall be established to maintain the job *description and classification on a current* basis and to enable a subsequent adjustment of the job description and classification for an accumulation of small job content changes. When and if the net total of the changes in the factors *affected, or the accumulation of such changes,* equals a net total of one full job class or more, a new job description and classification for the job **9.47**

shall be established in accordance with item a. above.

**2.** The proposed description and classification will be submitted to the Chairman of the Local Union Job Classification Committee for approval, and the standard hourly wage scale rate for the job class to which the job is thus assigned shall apply in accordance with the provisions of Subsection B of this Section. A copy of the proposed description and classification shall be sent to a designated representative of the International Union (hereinafter called the "International Union Representative"). The Local Union Job Classification Committee and Management shall discuss and determine the accuracy of the job description. **9.48**

**3.** If Management and the Local Union Job Classification Committee are unable to agree upon the description and classification, Management may install the proposed classification, and the standard hourly wage scale rate for the job class to which the job is thus assigned shall apply in accordance with the provisions of Subsection B of this Section. In that event, the Chairman of the Local Union Job Classification Committee and the local plant representative of Management shall prepare and mutually sign and date a stipulation setting forth the factors and factor codings which are in dispute and the reasons therefor. Thereafter the Chairman of the Local Union Job Classification Committee may, but not later than 30 days after the date of signing of such stipulation or 60 days after the installation of the proposed classification (whichever first occurs), refer the stipulation to the Fourth Step Company Representative and the Fourth Step Union Representative for further consideration. **9.49**

4. In the event the Fourth Step Company Representative and the Fourth Step Union Representative do not agree on the classification, they shall, within 30 days after the date the local plant stipulation was referred to them, prepare and mutually sign and date a stipulation (which may amend the local plant stipulation) setting forth the factors and factor codings which are in dispute and the reasons therefor. A copy of this stipulation shall be sent to the designated representative of the Company (hereinafter called the "Company Representative"), the International Union Representative and the Chairman of the Local Union Job Classification Committee. **9.50**

5. Within 30 days of the date of the Fourth *Step Representatives' stipulation, either of the* Fourth Step Representatives or the Company Representative or the International Union Representative may give notice in writing, signed and dated, to each of the other such representatives of his request that the matter in dispute be reviewed by the Company Representative and the International Union Representative. **9.51**

6. In the event such notice is given, the Company Representative and the International Union Representative shall, within 60 days of the date of such notice, mutually notify in writing, signed and dated, the Fourth Step Company Representative and the Fourth Step Union Representative of their agreement or failure to reach agreement. **9.52**

7. In the event (a) none of the representa- *tives gives the notice provided for in Paragraph* 5, or (b) if such a notice is given and the Company Representative and the International Union Representative do not reach agreement within 60 days of the date of such notice, the Fourth Step Union Representative may, within 10 days there- **9.53**

after appeal to the Board of Arbitration by giving written notice of appeal, signed and dated, to the Chairman of the Board of Arbitration and the Fourth Step Company Representative. Within 10 days of the date of appeal to arbitration, the Fourth Step Representatives shall prepare and mutually sign and date a stipulation setting forth the factors and factor codings which are still in dispute and the reasons therefor. This stipulation shall constitute the case papers required to be filed pursuant to marginal paragraph 7.7.

**8.** Upon receipt of the written notice from the Fourth Step Union Representative, the Chairman of the Board of Arbitration shall consider the notice as a case, assign a sequential arbitration number to the case, and schedule the case for the Board's consideration in accordance with the arbitration number assigned to the case. The case will be processed as though it were a grievance being processed through the arbitration procedure. The issue in arbitration and the decision of the Board shall be limited to the matters as specified in the stipulation as still being in dispute and settled in accordance with the job description and classification provisions of the Manual. The decision of the Board shall be effective as of the date when the new job was established or the date of the last change or changes installed. **9.54**

**9.** In the event the classification of the new or changed job is agreed to, the standard hourly wage scale rate for the job class to which the job is thus assigned shall apply. In the event the Chairman of the Local Union Job Classification Committee or the Fourth Step Union Representative does not take the specified action provided for within the time limits provided, the classification as prepared by the Company shall be **9.55**

deemed to be approved. Any time limits set forth in this subsection may be extended in writing by mutual agreement of the parties.

**10.** In the event Management does not develop a new job description and classification, the General Grievance Committeeman may, but within 120 days of the date of occurrence of the alleged change, file a grievance in the Third Step of the grievance and arbitration procedure of this Agreement requesting that a job description and classification be developed and installed in accordance with applicable provisions of the Manual. (If such complaint or grievance is not otherwise settled, the Union may in the grievance record of the Third Step or in the Fourth Step of the grievance procedure, notify the Company of additional factors it claims to have been affected by the change. Such appeals shall include the additional factors claimed, the factor codings and the reasons therefor. Such additional factors, for the purposes of marginal paragraph 7.11, shall be deemed to have been included in the grievance as tiled in the Third Step.) The resulting classification shall be effective as of the date when the new job was established or the date of the last change or changes installed. **9.56**

**11.** In the event the Company submits written notice of Job Description and Classification Changes as set forth in Item A of Section VII of the August 1, 1971 Job Description and Classification Manual either less than 30 days prior to the expiration of the prescribed 120 day period time limit for filing grievances in Subsection IX-D, or at any time thereafter, a grievance may be filed as though it has been filed within the time limit of Subsection IX-D provided, however, that such grievance is filed within 120 days from the receipt of the written notice. **9.56.1**

**E. Conversion of Existing Hourly Rates of Pay on Non-incentive Jobs**

**1.** As of the effective date of any increases made in the job class increments in the standard hourly wage scale under this Agreement, the out-of-line differentials of all incumbents of non-incentive jobs shall be adjusted or eliminated by applying that part of the increase in the standard hourly wage scale rate for the job which is attributable to the increase in the increments between job classes to reduce or eliminate such out-of-line differentials in accordance with past procedures applicable to non-incentive jobs. **9.57**

**2.** Any out-of-line differential remaining after the adjustment provided for in Subsection IX-E-1 above shall be identified with the employee and the job occupied and shall apply only to such employee while on such job and remain in effect until the expiration of this Agreement or until the employee leaves the job, whichever occurs first; provided, however, that an employee transferred, at the direction of Management, from his regular job to another job shall be paid at the established rate of pay for the job to which transferred; provided further, that if such rate is less than the rate of pay for the job from which transferred plus the employee's regular out-of-line differential, if any, the employee shall receive the difference as a temporary out-of-line differential. Such out-of-line differential shall apply only to the individual transferred and for the period of transfer. **9.58**

**3.** The out-of-line differential multiplied by the hours paid for on the job shall be added to earnings of the employee. **9.59**

**4. In the event that an employee who receives such an out-of-line differential is promoted within a defined seniority unit for regular assignment to a job of higher job** **9.59.1**

**class, or is transferred within an established line of progression to a job of equal job class, and the standard hourly wage scale rate in Appendix A, Table A, of the job to which promoted or transferred is less than the standard hourly wage scale rate in Appendix A, Table A, plus the employee's out-of-line differential on the job from which promoted or transferred, a new differential shall be determined and applied as follows:**

**(1) The new out-of-line differential shall equal: (a) the standard hourly wage scale rate in Appendix A, Table A, of the job from which promoted or transferred plus the employee's out-of-line differential on such job; minus (b) the standard hourly wage scale rate in Appendix A, Table A, of the job to which promoted or transferred.** **9.59.2**

**(2) Such new out-of-line differential shall be identified with the employee and apply only to such employee while on such job, and continue in effect, subject to adjustment in accordance with Subsection IX-E-1 above, until the expiration of this Agreement or until terminated by the parties to this Agreement.** **9.59.3**

**(3) The new out-of-line differential multiplied by hours paid for on the job shall be added to earnings of the employee.** **9.59.4**

**F. Existing Incentive Plans**

1. **a.** Effective **August 1, 2001**, the total earnings (not including overtime, shift and Sunday premiums, cost-of-living adjustment and the hourly additive) received by an employee for hours worked (for which he shall receive incentive earnings) on a job covered by an existing incentive plan which **(a)** was in effect on April 29, 1947, (August 11, 1952 for Indiana Harbor Works **9.60**

**and prior to April 30, 1947 for former Republic Steel Corporation facilities) or (b) established since April 30, 1947 and which used as a basis for incentive payment a rate of pay other than the Standard Hourly Wage Scale** shall be changed by the percentage by which the Standard Hourly Wage Scale (Incentive Calculation Rate) in Appendix A, Table A-1, for such job exceeds the Standard Hourly Wage Scale (Incentive Calculation Rate) in effect on **July 31, 2001** for such job provided, however, that any existing incentive plan in effect at Indiana Harbor Works on August 11, 1952 based on incentive calculation rates shall be based on such rates as specified in Appendix A, Table A-1 of this Agreement. Where the wage change effective **August 1, 2001** is not already reflected, the above method of applying the wage change shall be applied to interim allowances established in accordance with Subsection IX-C-2b(2) of this or prior agreements.

**b.** Effective as of the date specified in Appendix A, each employee on a job covered by an existing incentive plan in effect on April 29, 1947 (August 11, 1952 for Indiana Harbor Works) shall receive for each hour worked, in addition to earnings received under Subsection IX-F-1-a above, the applicable hourly additive specified in Appendix A. Table **A-1**. **9.60.1**

**2.** *All existing incentive plans in effect on* April 29, 1947 (August 11, 1952 for Indiana Harbor Works), including all existing rates incidental to each plan (such as hourly, the addition in Paragraph 1 above, base, piecework, tonnage, premiums, bonus, stand-by, etc.), and all incentives installed after April 29, 1947 (August 11, 1952 for Indiana Harbor Works), shall remain in effect until replaced by mutual agreement of the **9.61**

Local Union Incentive Committee and the plant Management or until replaced by the Company in accordance with Subsection C-2-b of this Section or changed by the Company in accordance with Subsection C-2-a of this Section.

**3.** Each employee while compensated under an existing incentive plan in effect as of **July 31, 2001** (excluding incentive plans in effect on August 11, 1952 as set forth in Subsection F-4 below) shall receive for the applicable single or multiple number of eight-hour turns, the highest of the following: **9.62**

**a.** the total earnings under such plan plus the applicable hourly additive as specified in Appendix A, Table **A-1**;

**b.** the total amount arrived at by multiplying the hours worked by the existing fixed occupational hourly rate, if any; or

**c.** the total amount arrived at by multiplying the hours worked by the applicable standard hourly wage rate as specified in Appendix A, Table A-1, plus the applicable hourly additive.

**4.** Each employee while compensated under an incentive plan which was in effect on August 11, 1952 at Indiana Harbor Works shall receive exclusive of the additive provided by Subsection IX-F-1, for the applicable single or multiple number of 8-hour turns, the highest of the following: **9.62.1**

**a.** the total earnings under such prior incentive applications;

**b.** the total amount arrived at by multiplying the hours worked by the current fixed occupational hourly rate, if any; or

**c.** the total amount arrived at by multiplying the hours worked by the applicable incentive hourly rate.

**5. Notwithstanding the provisions of Subsection IX-F-2 above, the Company shall,** **9.62.2**

**as promptly as practicable, develop new incentive plans to replace all existing incentive plans which use as a base a rate of pay other than the standard hourly wage scale rate in Appendix A, Table A-1, with new incentive plans which do use the standard hourly wage scale rate in Appendix A, Table A-1, as a base, except where the Plant Union Incentive Committee and local Management agree that a new incentive plan shall not be developed to replace such existing incentive plan. Each such new plan shall meet the requirement that, over a past representative test period, the average hourly earnings (exclusive of overtime, shift differentials, Sunday premiums and cost-of-living adjustments) of all the Employees assigned to a job under such new plan would not have been less under such new plan than the average hourly earnings (exclusive of overtime, shift differentials, Sunday premiums and cost-of-living adjustments) received by all the Employees assigned to that job during such period under the incentive plan which it replaced. the term "past representative test period" means, in the absence of special circumstances, the period of 3 months next preceding the date on which an existing incentive plan shall be replaced by a new incentive plan.**

**G. Wage Rate Inequity Complaints or Grievances**

No basis shall exist for an employee, whether paid on an incentive or non-incentive basis, to allege that a wage rate inequity exists and no complaint or grievance on behalf of an employee alleging a wage rate inequity shall be presented or processed during the term of this Agreement. **9.63**

**H. Correction of Errors**

Notwithstanding any provisions of this Section, errors in application of rates of pay shall be corrected. **9.64**

**I. Obsolete Practices with Regard to Rates of Pay**

Rates of pay practices which are inconsistent with the provisions of this Section shall terminate as of the date of this Agreement. **9.65**

**J. Non-Incentive Bonus**

At plants covered by the August 1, 1969 Incentive Arbitration Award an employee with 5 or more years of continuous service, as determined for pension purposes, shall be paid a 25¢ per hour bonus for hours worked on a non-incentive job. Such bonus shall be an "add-on," shall be payable only for hours actually worked, and shall be included in the calculation of overtime premium but shall not be part of the employee's pay for any other purpose and shall not be used in the calculation of any other pay, allowance, or benefit. For the purpose of applying this provision, a non-incentive job is a job within the scope of the August 1, 1969 Incentive Arbitration Award that is not covered by an incentive and does not qualify for incentive under the terms of such Award. **9.66**

**K. Miscellaneous**

1. The Company will not establish performance standards for non-incentive jobs, except as such jobs are covered by incentives. **9.67**

2. When Management temporarily assigns an employee from his scheduled job to another job: **9.67.1**

a. If his scheduled job is otherwise being worked, the transferred employee will continue to receive the straight time earnings of his scheduled job, unless the straight time earnings of the job to which he is assigned is higher, in which

case, he will receive the higher rate.

b. If his scheduled job is not being worked, he may be assigned to another job and be paid the rate for that job, except as otherwise provided under Subsection X-C, Reporting Allowance.

c. This provision shall not affect the right of any employee or the Company under any other provision of this Agreement.

**L. Shift Differentials**

1. *For hours worked on the afternoon shift* there shall be paid a premium rate of 30¢ per hour. For hours worked on the night shift there shall be paid a premium rate of 45¢ per hour. **9.68**

2. **Shifts shall be defined as follows:** **9.69**

**a. Day shift includes all shifts scheduled to commence between 6:00 a.m. and 8:00 a.m., inclusive;**

**b. Afternoon shift includes all shifts scheduled to commence between 2:00 p.m. and 4:00 p.m., inclusive;**

**c. *Night shift includes all shifts scheduled* to commence between 10:00 p.m. and 12:00 midnight, inclusive.**

3. **Any hours worked by an Employee on a shift which commences at a time not provided for in Subsection 2 of this Subsection L shall be paid as follows:** **9.70**

**a. For hours worked which would fall *in the prevailing day shift of the department* no shift differential shall be paid;**

**b. For hours worked which would fall in the *prevailing* afternoon shift of the department the afternoon shift differential shall be paid;**

**c. For hours worked which would fall in the prevailing night shift of the department the night shift differential shall be paid.**

**4. Shift differential shall be included in the calculation of overtime compensation. Shift differential shall not be included in the calculation of incentive earnings but shall be computed by multiplying the hours worked by the applicable differential and the amount so determined added to earnings.** 9.71

**5. Shift differential shall be paid for allowed time or reporting time provided for in Subsection X-C – Hours of Work – of this Agreement when the hours for which payment is made would have called for a shift differential if worked.** 9.72

**M. Understandings as to Repair and Maintenance Program Installed as of December 1, 1956**

The understandings required to be continued with respect to the Repair and Maintenance Program installed as of December 1, 1956 are contained in Appendix B attached hereto and in the agreements which are continued in effect by virtue of Marginal Paragraph 20.2 of Section XX of this Agreement. 9.74

**N. Inflation Recognition Payment**

**A.** For purposes of this Agreement:

**(1)** "Consumer Price Index" refers to the "Consumer Price Index" for Urban Wage Earners and Clerical Workers-United States. All items (C.P.I.-W) (1982-84 equals 100) published by the Bureau of Labor Statistics, United States Department of Labor. 9.75

**(2)** The "Consumer Price Index Base" shall be determined as follows: 9.76

**(a) For the August 1, 1999, November 1, 1999, February 1, 2000, and May 1, 2000 Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of March, 1999, published by the**

**Bureau of Labor Statistics, multiplied by 103%.**

**(b) For the August 1, 2000, November 1, 2000, February 1, 2001, and May 1, 2001 Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of March, 2000, multiplied by 103%.**

**(c) For the August 1, 2001, November 1, 2001, February 1, 2002, and May 1, 2002 Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of March, 2001, multiplied by 103%.**

**(d) For the August 1, 2002, November 1, 2002, February 1, 2003, and May 1, 2003 Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of March, 2002, multiplied by 103%.**

**(e) For the August 1, 2003, November 1, 2003, February 1, 2004, and May 1, 2004 Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of March, 2003, multiplied by 103%.**

**(3) "Adjustment Dates" are August 1, 1999; November 1, 1999; February 1, 2000; May 1, 2000; August 1, 2000; November 1, 2000; February 1, 2001; May 1, 2001; August 1, 2001; November 1, 2001; February 1, 2002; May 1, 2002; August 1, 2002; November 1, 2002; February 1, 2003; May 1, 2003; August 1, 2003; November 1, 2003; February 1, 2004 and May 1, 2004.** **9.77**

(4) "Inflation Recognition Payment" is calculated as below and will be payable for the three-month period commencing with the Adjustment Date. **9.78**

**(5)** "Consumer Price Index for the current period" is the Consumer Price Index for the second calendar month next preceding the month in **9.79**

which the applicable Adjustment date falls.

**B.** Effective on each Adjustment Date a payment shall be earned equal to one percent (1.0%) of the Standard Hourly Wage Rates (SHWR) for each full one percent (1.0%) by which the Consumer Price Index for the current period exceeds the Consumer Price Index Base. **9.80**

**(1)** The earned payment shall be determined by multiplying the percent determined in B. above by the Standard Hourly Wage Rate for each position worked by an employee for all hours actually worked, overtime allowance hours, and for any *reporting allowance hours credited before the* next Adjustment Date. The Inflation Recognition Payment earned, if any, between Adjustment Dates will be paid promptly in a separate check. If the Company reports a pre-tax loss for the calendar quarter ending immediately prior to the date of payment, the Company shall have the options of paying the Inflation Recognition Payment in cash or common stock of the Company or of deferring the payment of the Inflation Recognition Payment earned, if any, as follows: **9.81**

**(a)** If the Company elects to pay the Inflation Recognition Payment in common stock the following will apply:

**(i)** As promptly as practicable after public announcement has been made that a loss has occurred during such calendar quarter, the Company will notify each employee that it intends to pay the Inflation Recognition Payment in common stock and that the number of shares to be delivered will be determined on a specified date (the "determination date") which shall be the 21st day following such notice from the Company. If the 21st day is not a business day for the New York Stock Exchange, then it shall be the next

business day.

**(ii)** The number of shares of common stock of the Company to be allocated to each employee shall be equal to the value of the Inflation Recognition Payment earned by such employee during the three month period commencing with the adjustment date, divided by the average of the closing prices of the stock on the ten business days next preceding the determination date.

**(iii)** The employee will receive certificates for such shares (and cash for any fractional share) unless such employee notifies the Company in writing prior to the day preceding the determination date that he desires the Company to sell such shares on his behalf, in which event the Company (or a trustee acting on behalf of the selling employees) will promptly execute the sale at the then current market price and give to the employee a separate check covering the proceeds of such sale. The Company will bear all costs associated with such sale of stock (including the costs of any such trustee).

**(b)** If the Company elects to defer payment of the Inflation Recognition Payment earned, if any, the following will apply:

**(I)** The Company agrees to establish an Inflation Recognition Payment Credit Account ("Credit Account") for each employee entitled to a deferred Inflation Recognition Payment. The Company shall provide a statement to each such employee once each quarter showing the amount in his Credit Account.

**(II)** If the Company reports a pre-tax loss for a calendar quarter and the Company elects to defer an Inflation Recognition Payment, such payment will subsequently be made either

- following the first calendar quarter

in which the succession of calendar quarters of reported pre-tax income and loss generates net pre-tax income greater than the accumulated pre-tax loss reported in those calendar quarters, providing such payment will not exceed the amount the accumulated pre-tax income exceeds the accumulated pre-tax loss for the period with the balance, if any, remaining in the employees' Credit Accounts; or

•• when an employee entitled to a deferred Inflation Recognition Payment retires or dies. An employee who terminates from employment, for reasons other than retirement or death, shall be paid any Inflation Recognition Payment to which he is entitled in accordance with the provisions of Subsection B(1)(b)(ii)(•) above.

(iii) In the event that an Inflation Recognition Payment is deferred as set forth above, interest at the rate of 1.25% per quarter shall be added to the payment when it is made.

**(2) In calculating the payment for August 1, 1999, November 1, 1999, February 1, 2000, and May 1, 2000, there shall be added to the percent calculated in (B) above, the percent used to calculate the Inflation Recognition Payment, if any, which was payable on May 1, 1999.** 9.82

**(3) In calculating the payment for August 1, 2000, November 1, 2000, February 1, 2001, and May 1, 2001, there shall be added to the percent calculated in (B) above, the percent used to calculate the Inflation Recognition Payment, if any, which was payable on May 1, 2000.** 9.82.1

**(4) In calculating the payment for August 1, 2001, November 1, 2001, February 1, 2002, and May 1, 2002, there shall be added to the percent calculated in (B) above, the per-** 9.82.2

**cent used to calculate the Inflation Recognition Payment, if any, which was payable on May 1, 2001.**

**(5) In calculating the payment for August 1, 2002, November 1, 2002, February 1, 2003, and May 1, 2003, there shall be added to the percent calculated in (B) above, the percent used to calculate the Inflation Recognition Payment, if any, which was payable on May 1, 2002.** 9.82.3

**(6) In calculating the payment for August 1, 2003, November 1, 2003, February 1, 2004, and May 1, 2004, there shall be added to the percent calculated in (B) above, the percent used to calculate the Inflation Recognition Payment, if any, which was payable on May 1, 2003.** 9.82.4

**C.** The Inflation Recognition Payment shall be an "Add-on" and shall not be part of the employee's Standard Hourly Wage Rate. Such payment shall be payable only for hours actually worked, overtime allowance hours, and for reporting allowance hours, but shall not be part of the employee's pay for any other purpose and shall not be used in the calculation of any other pay, allowance or benefit. 9.83

**D.** Should the Consumer Price Index in its present form and on the same basis (including composition of the "Market Basket" and "Consumer Sample") as the last Index published prior to **June 1, 1999** become unavailable, the parties shall attempt to adjust this Section or, if agreement is not reached, request the Bureau of Labor Statistics to provide the appropriate conversion or adjustment which shall be applicable as of the appropriate Adjustment Date and thereafter. The purpose of such conversion shall be to produce as nearly as possible the same result as would 9.84

have been achieved using the Index in its present form.

**O. Earnings Protection Plan**

1. Purpose

The purpose of the Earnings Protection Plan (EPP) is to protect a level of earnings for hours worked by employees, with particular emphasis on employees displaced in technological change, through provision of a benefit to be known as a Quarterly Income Benefit (QIB) which, when added to an employee's average earnings for hours worked in a quarter, will increase such average earnings to a specified percentage of the employee's average earnings for hours worked during a base period preceding such quarter. **9.86**

2. Definitions

When used in the EPP or in any agreement relating thereto, the following terms are intended to have the meaning set forth below: **9.87**

"Average earnings" – Average straight-time hourly rate of earnings, determined by dividing total earnings (including applicable incentive earnings but excluding shift differentials and Sunday and overtime premiums) for hours worked by the number of hours worked.

"Base period" – The pay periods paid in the calendar year preceding the benefit quarter, provided, however, that with respect to any employee who has twenty or more years of continuous service at the start of the first benefit quarter in any calendar year, the base period shall be the pay periods paid in the second calendar year next preceding the benefit quarter if his base period rate for such calendar year is higher than his base period rate for the calendar year immediately preceding the benefit quarter.

"Base period rate" – The average earnings for

the base period, plus the amount per straight-time hour worked of any QIB paid for straight-time hours worked in the base period.

"Benefit quarter" – The pay periods paid in a calendar quarter with respect to which benefit determinations are to be made.

"Benefit quarter rate" – The average earnings for the benefit quarter.

"Continuous Service" – Continuous service as determined under the Company's noncontributory pension provisions.

"Eligible employees" – Employees who have two or more years of continuous service as of the end of the benefit quarter and who have worked 160 or more hours during the base period.

"SUB Plan" – The SUB Plan established pursuant to Section XVIII-Supplemental Unemployment Benefit Plan.

**3.** Quarterly Income Benefits **9.88**

**a.** Each eligible employee shall receive a QIB, subject to all the provisions of the EPP, for any benefit quarter for which his benefit quarter rate does not equal or exceed 85% of his base period rate; provided, however, that any employee who has 20 or more years of continuous service at the start of the first benefit quarter in any calendar year shall receive a QIB, subject to all the provisions of the EPP, for any benefit quarter for which his benefit quarter rate does not equal or exceed 90% of his base period rate.

**b.** Subject to the provisions of "c" and "d" below, the amount of the QIB for an employee shall be determined with reference to the hours worked by him in the benefit quarter by multiplying (i) the sum of the number of such hours paid for at straight time plus 1.5 times the number of such hours paid for at overtime rates by (ii) the amount, if any, by which his benefit quarter rate

was less than 85% of his base period rate, provided, however, that with respect to any employee who has twenty or more years of continuous service at the start of the first benefit quarter in any calendar year, the amount of the QIB shall be determined with reference to the hours worked by him in the benefit quarter by multiplying (i) the sum of the number of such hours paid for at straight time plus 1.5 times the number of such hours paid for at overtime rates by (ii) the amount, if any, by which his benefit quarter rate was less than 90% of his base period rate.

**c.** *In determining the amount of a QIB, the* base period rate and the benefit quarter rate shall be appropriately adjusted to neutralize the effect of any general wage change occurring after the start of the base period.

**d.** Any QIB otherwise payable shall be adjusted to the extent necessary to avoid a payment under this plan which would duplicate a payment under a workman's compensation or occupational disease law or under any other arrangement which provides an earnings supplement.

**4.** Disqualification **9.89**

**a.** An employee shall not be paid any QIB for any benefit quarter if it is determined that his benefit quarter rate was significantly lower than it otherwise would have been because of any of the following (occurring in or before such benefit quarter):

**(1)** Assignment at his own request or due to his own fault to a job with lower earning opportunities or failure to accept assignment, or to assert assignment rights, to a job with higher *earning opportunities; except in the case of* assignments related to the manning of a new facility or other situations where it is clear from

the surrounding circumstances that such event should not affect eligibility for a QIB.

**(2)** Lower average performance under any applicable incentive than that which was reasonably attainable.

**(3)** Any occurrence which would disqualify the employee from a Weekly Benefit pursuant to paragraph 3.5-c(I), (2) or (3) of the SUB Plan.

**b.** If an employee quits or is discharged, no QIB shall be payable for the benefit quarter in which such quit or discharge occurs.

**5.** General **9.90**

**a.** Any QIB payable in accordance with the terms of this plan shall be paid promptly after the end of the benefit quarter for which it is payable, shall be considered wages for the purposes of any applicable law, and shall be included in calculating earnings for the purposes of the Company's non-contributory pension provisions and vacations, but not for the SUB Plan or any other purpose. For the purposes above provided, the QIB shall constitute wages for the calendar quarter in which it is paid.

**b.** The Union shall be furnished, on forms and at times to be agreed upon, such information as may be reasonably required to enable the Union to be properly informed concerning the operation of the EPP. In addition, with respect to any benefit quarter, the Chairman of the Grievance Committee, if he so requests, shall be furnished with a list of employees represented by such Committee who received QIB's and the amount of such QIB's and a list of employees represented by such Committee who did not receive QIB's because of one of the disqualifications listed in 4-a-(1), -(2) or -(3).

**c.** Disputes arising under the EPP shall

be processed under the procedure applicable to disputes arising under the SUB Plan.

## SECTION X – HOURS OF WORK

**A.** This Section defines the normal hours of work and shall not be construed as a guarantee of hours of work per day or per week. **10.1**

**B. (1)** The normal work day shall be any regularly scheduled consecutive twenty-four (24) hour period comprising eight (8) consecutive hours of work and sixteen (16) consecutive hours of rest *except for such rest periods as may be provided* in accordance with practices heretofore prevailing in the Works of the Company: The normal work pattern shall be 5 consecutive workdays beginning on the first day of any 7-consecutive-day period. The 7-consecutive-day period is a period of 168 consecutive hours and may begin on any day of the calendar week and extend into the next calendar week. On shift changes, the 168 consecutive hours may become 152 consecutive hours depending upon the change in the shift. **10.2**

**(2)** A work pattern of less or more than 5 workdays in the 7-consecutive-day period shall not be considered as deviating from the normal work pattern provided the workdays are consecutive. **10.3**

**(3)** If in Management's opinion it is necessary to establish schedules departing from this intent, the grievance committee of the Works and the management of the Works may, at the request of either party, confer to determine whether, based upon the facts of the situation, mutually satisfactory modified schedules can be arranged. It is agreed by both parties that diligent effort on the part of Management should result in not less than eighty-five (85) per cent of all employees **10.4**

being scheduled on the normal work pattern (including those working on agreed-to schedules) as stated above and Management further agrees to furnish the grievance committee in each Works evidence of its performance in this respect from time to time as may be desired by the grievance committee.

**(4)** Schedules showing employees' workdays shall be posted or otherwise made known to employees in accordance with prevailing practices by Thursday, if possible, but not later than 2:00 P.M. Friday of the week preceding the calendar week in which the schedule becomes effective unless otherwise provided by local agreement. Management will establish a procedure, where such does not already exist, affording any employee whose last scheduled turn ends prior to the posting of his schedule for the following week, an opportunity to obtain information relating to his next scheduled turn. This procedure will also be applicable with respect to employees returning from vacation. **10.5**

**(5)** Schedules may be changed by Management at any time except where by local agreement schedules are not to be changed in the absence of mutual agreement; provided, however, that any changes made after Thursday of the week preceding the calendar week in which the changes are to be effective shall be explained at the earliest practicable time to the grievance or assistant grievance committeeman of the employee affected; and provided further that with respect to any such schedules no changes shall be made after posting or notification except for breakdowns, strikes, work stoppages in connection with labor disputes, failure of utilities beyond the control of Management, or acts of God. Should changes be made in sched- **10.6**

ules contrary to this Paragraph (5) so that an employee is laid off and does not work on a day that he was scheduled to work, he shall be deemed to have reported for work on such day and shall be eligible for reporting allowance in accordance with the provisions of Subsection X-C, excluding Subsection X-C-(2)-d.

**(6)** Should changes be made in schedules contrary to the provisions of Paragraph (5) above so that an employee is laid off on any day within the five scheduled days and is required to work on what would otherwise have been the sixth or seventh work day in the schedule on which he was scheduled to commence work, the employee shall be paid for such sixth or seventh day worked at overtime rates in accordance with Section XI Overtime-Holidays. **10.7**

**C. Reporting Allowance**

**(1)** An employee who is scheduled or notified to report and who does report for work shall be provided with and assigned to a minimum of four (4) hours of work on the job for which he was scheduled or notified to report or, in the event such work is not available, shall be assigned or reassigned to another job of at least equal job class for which he is qualified. In the event, when he reports for work, no work is available, he shall be released from duty and credited with reporting allowance of four (4) times the standard hourly wage rate of the job (including any applicable additive in Appendix A) for which he was scheduled or notified to report. When an employee, who starts to work, is released from duty before he works a minimum of four (4) hours, he shall be paid for the hours worked in accordance with Section IX Rates of Pay, and credited with a reporting allowance equal to the standard hourly wage rate of the job (including any applicable **10.8**

additive in Appendix A) for which he was scheduled or notified to report multiplied by the unutilized portion of the four (4) hour minimum. Any additions provided in Subsection IX-L-5 and Subsection XI-C-3 shall apply.

**(2)** The provision of this Subsection C shall not apply in the event that: **10.9**

**a.** strikes, work stoppages in connection with labor disputes, failure of utilities beyond the control of Management, or acts of God interfere with work being provided; but this Subparagraph a. shall not be available with respect to any employee notified or scheduled to report for work after the turn following the turn in which any such event shall have occurred unless the Company shall have made a reasonable effort by television, radio or telephone to notify such employee not to report for work; or

**b.** an employee is not put to work or is laid off after having been put to work, either at his own request or due to his own fault; or

**c.** an employee refuses to accept an assignment or reassignment within the first four (4) hours, as provided in Paragraph (1) above; or

**d.** Management gives reasonable notice of a change in scheduled reporting time or that an employee need not report. Local Management and grievance committee shall promptly determine what constitutes reasonable notice.

The scheduling practices now in effect at the various Works shall remain in effect. **10.10**

**D. Absenteeism**

**(1)** In recognition of the obligations undertaken by Management in the foregoing clauses, it is agreed that there is a corresponding obligation on the part of an employee faithfully to adhere to the schedule prescribed for him by Management. Accordingly, when an occasion arises that neces- **10.11**

sitates an employee's absence from work, it shall be his responsibility to make adequate prior arrangements with supervision for such absence and for his later return to the work schedule. In those instances where it is impossible or unreasonable for an employee to, in advance, arrange for time off, he shall be obligated as promptly as possible to contact the person designated by supervision to report his absence, the facts pertinent thereto and when he expects to return to work.

(2) Reasonable rules for the effectuation of these principles shall be developed by the Management of each plant and made known to the employees with the understanding that such rules will not deprive any employee of any rights otherwise accruing to him under the terms and provisions of this Agreement. **10.12**

(3) Should an employee's conduct violate the intent of the foregoing, Management will advise the Union representative concerned of any disciplinary action contemplated. **10.13**

**E. Allowance for Jury or Witness Service**

An employee who is called for jury service or subpoenaed as a witness shall be excused from work for the days on which he serves. Service, as used herein, includes required reporting for Jury or witness duty when summoned, whether or not he is used. Such employee shall receive, for each such day of service on which he otherwise would have worked, the difference between the payment he receives for such service in excess of $5 and the amount calculated by the Company in accordance with the following formula. Such pay shall be based on the number of days such employee would have worked had he not been performing such service (plus any holiday in such period which he would not have worked) and the **10.14**

pay for each such day shall be eight (8) times his average straight-time hourly rate of earnings (including applicable incentive earnings but excluding shift differentials and Sunday and overtime premiums) during the last payroll period worked prior to such service. The employee will present proof that he did serve or report as a juror or was subpoenaed and reported as witness, and the amount of pay, if any, received therefor.

**F. Overtime**

**1.** The parties recognize that schedules that regularly require overtime over extended periods are undesirable and should not be used solely for the purpose of preventing the recall of laid-off or demoted employees. **10.15**

**2.** When employees qualified to perform the work could be recalled because it is reasonably foreseeable that there will be work for such employees for a period of two or more weeks, and Management determines that such work should nevertheless be done on an overtime basis instead of recalling such employees, it will first notify the Union and, upon the request of the appropriate Grievance Committeeman, will discuss its reasons and review with him any suggested alternative in an effort to reach a mutually satisfactory solution. Such discussion and review will constitute full compliance with the requirements of this Subsection F-2 and Subsection F-1 above. **10.16**

**3.** Nothing in Subsections F-1 and -2 above shall prejudice any other rights which may exist under any other provision of the Agreement, nor affect local agreements or practices existing as of the date of this Agreement. **10.17**

**4.** Where local practices or agreements with respect to the distribution of overtime do not **10.18**

presently exist, the local plant Management and the local Union Grievance Committee should *conclude promptly an agreement providing for* the most equitable overtime distribution consistent with the efficiency of the operation.

5. Management will consider an employee's 10.19
request to be excused from overtime work and *shall accommodate those requests which are* practicable and reasonable under the circumstances.

**G. Allowance For Funeral Leave**

When death occurs to an employee's legal 10.20
*spouse, mother, father, mother-in-law, father-in-*law, son, daughter, brother, sister, grandparents or grandchildren (including stepfather, stepmother, stepchildren, stepbrother or stepsister when they have lived with the employee in an immediate family relationship), an employee, upon request, will be excused and paid for up to a maximum of three (3) scheduled shifts **(5 scheduled shifts in the case of the death of an employee's legal spouse, son, or daughter including stepchildren when they have lived with the employee in an immediate family relationship)** (or for such fewer shifts as the employee may be absent) which fall within a three (3) consecutive calendar-day period **(or 5-consecutive-calendar-day-period in the case of the death of an employee's legal spouse, son, or daughter including stepchildren when they have lived with the employee in an immediate family relationship)**; provided, however, that one such calendar day shall include the day of the funeral and it is established that the employee attended the funeral. Payment shall be eight times his average straight-time hourly earnings (as computed for jury pay). An employee will not receive funeral pay when it duplicates pay

received for time not worked for any other reason. Time thus paid will not be counted as hours worked for purposes of determining overtime or premium pay liability.

## SECTION XI – OVERTIME-HOLIDAYS

**A.** This Section provides the basis for the calculation of, and payment for, overtime and shall not be construed as a guarantee of hours of work per day or per week, or a guarantee of days of work per week. **11.1**

**B. 1.** The payroll week shall consist of 7 consecutive days beginning at 12:01 A.M. Sunday or at the turn-changing hour nearest to that time. **11.2**

**2.** The workday for the purposes of this Section is the 24-hour period beginning with the time the employee begins work, except that a tardy employee's workday shall begin at the time it would have begun had he not been tardy. **11.3**

**3.** The regular rate of pay as used in Subsection C below shall mean the applicable hourly wage rate for the job on which the overtime hours are worked; except that for employees on an incentive, tonnage or piecework basis, the applicable hourly rate shall be the average straight-time hourly earnings as computed in accordance with existing practices. **11.4**

**C. Conditions Under Which Overtime Rates Shall Be Paid**

**1.** Overtime at the rate of time and one-half the regular rate of pay shall be paid (unless the application of Paragraph 2 of this Subsection C would result in payment of double time and one-half the regular rate of pay, in which case such higher rate shall be paid) for: **11.5**

**a.** Hours worked in excess of eight (8) hours in a workday; **11.6**

**b.** Hours worked in excess of forty (40) **11.7**

hours in a payroll week;

**c.** Hours worked on the sixth or seventh workday in a payroll week during which work was performed on five (5) prior workdays of that payroll week; 11.8

**d.** Hours worked on any sixth or seventh workday of a 7-consecutive-day period during which the first five days were worked by the employee whether or not all of such days fall within the same payroll week as defined in Subsection B-1 of this Section, except when that day is worked pursuant to a schedule approved by the grievance committee; provided, however, that no overtime compensation under this provision will be due unless the employee shall notify his foreman of a claim for overtime within a period of one week after such sixth or seventh day is worked or, if he fails to do so, files a grievance claiming such overtime within 30 days after such day is worked; and provided further that on shift changes the 7-consecutive-day period of 168 hours may become 152 consecutive hours depending upon the change in the shift. For the purposes of this Subsection C-1-d, all existing working schedules now normally used in any department of any Works shall be deemed to have been approved by the grievance committee. Such approval may be withdrawn by the grievance committee by giving 60 days' prior written notice thereof to the Management. Any right which Management may have under the Agreement to change a schedule shall not be limited by the provision of this Subsection C-1 under which schedules now normally used shall be deemed to have been approved by the grievance committee, which provision is for the purpose of this Subsection C-1-d only. 11.9

**e.** Hours worked under the conditions 11.10

specified in Subsection B(6) of Section X- Hours of Work.

**f.** Hours worked on a second reporting in the same workday where the employee has been recalled or required to report to the plant after working less than 8 hours on his first shift, provided that his failure to work 8 hours on his first reporting was not caused by any of the factors mentioned in Subsection X-C-(2) for purposes of disqualifying an employee for reporting allowance. **11.11**

**g. The parties have established an Overtime Control Training Fund ("OCTF") at each Plant covered by this Agreement. The OCTF shall be credited in a separate account for each such Plant. The OCTF will be jointly administered at each Plant by the OCTF Committee (the Committee) consisting of four (4) members, two chosen by each of the Company and the Union. The Union members of the Committee shall be appointed by the Union Chairman of the Negotiating Committee. The Company members of the Committee shall be appointed by the Company.** **11.11.1**

**(a) Funding: The Company shall credit $10.00 per hour to the Plant OCTF for one-half (50%) of the hours worked at the Plant in excess of 56 hours within a payroll week that an Employee is paid at overtime rates.** **11.11.2**

**(b) Purpose: OCTF is to be used to fund job-related training and education, provided that such training is directly related to pre-apprenticeship preparation programs, apprenticeship programs, craft training, non-craft described and classified job training and other job related training other than training** **11.11.3**

the Company affords pursuant to Section XIII-N (Manning New Facilities) or Appendix XX 6(g) (Training of Transferred Employees). The parties will also seek and use funds from federal, state and local governmental agencies.

(c) Approval: No expenditure may be charged to the OCTF unless such expenditure is specifically approved in writing by both the Union and Company Co-Chairmen of the Committee. 11.11.4

(d) Annual OCTF Plan: The Committee shall jointly develop a plan each year setting forth the projected amount of plant OCTF allocable to specific plant training and education programs. An information copy of such annual plan shall promptly be sent to the International President of the Union and the Company and Union Chairmen of the Negotiating Committee. 11.11.5

(e) Reporting: The Company shall furnish to the International President, the Company and Union Co-Chairmen of the Negotiating Committee, and the Committee a quarterly report (i) itemizing credits and charges to the Plant OCTF, relating each such credit and charge to a specific program contained in the Annual OCTF Plan, (ii) stating the current level of the Plant OCTF and (iii) showing, by each department in the Plant, the *hours worked by each employee in such* department during each pay period in the quarter for which an Overtime Control credit has been incurred pursuant to this Appendix. 11.11.6

(f) Auditing: Upon request of the Union Chairman of the Negotiating Committee an audit of Company reports and of the underlying program activities shall be made in accordance with the following: The 11.11.7

**Company and the Union shall jointly select an independent outside auditor. The reasonable fees and expenses of the auditor shall be paid from the OCTF. The scope of audits may be company-wide, plant-specific, or on any other reasonable basis.**

**(g) Dispute Resolution: Any dispute regarding the administration of the OCTF shall be referred to the Company and Union Co-Chairmen of the Negotiating Committee for resolution. If they are unable to resolve the dispute, it shall be subject to expedited resolution by the Board of Arbitration pursuant to procedures to be developed by the parties leading to resolution of the dispute within two weeks after the dispute resolution procedure is invoked.** **11.11.8**

2. For all hours worked by an employee on any of the holidays specified below, overtime shall be paid at the overtime rate of two and one-half times his regular rate of pay. **11.12**

January 1
**Martin Luther King, Jr.'s birthday (which shall be the third Monday of January)**
Good Friday
April 28-Workers' Memorial Day
Memorial Day
(which shall be the last Monday in May)
July 4
Labor Day
Thanksgiving Day
Day after Thanksgiving Day
Day Preceding Christmas Day
Christmas Day

In the event a recognized holiday falls on Sunday, it shall be observed on Monday. **11.14**

A recognized holiday is the 24-hour period beginning at 12:01 A.M. on the day so observed **11.15**

or at the turn-changing hour nearest to this time.

3. All hours worked by an employee on Sunday, which are not paid for on an overtime basis, shall be paid for on the basis of one and one-half times the employee's regular rate of pay as defined in Subsection XI-B-3. 11.16

For the purpose of this provision, Sunday shall be deemed to be the 24 hours beginning with the turn-changing hour nearest to 12:01 A.M. Sunday. 11.17

Sunday premium based on the standard hourly wage rate shall be paid for reporting allowance hours. 11.18

**D. Pay for a Recognized Holiday Not Worked**

1. An eligible employee who does not work on a recognized holiday listed in Subsection C above shall be paid eight times his average straight-time hourly rate of earnings (including applicable incentive earnings but excluding shift differentials and Sunday and overtime premiums) during the payroll period preceding the one in which the holiday is observed, provided, however, that if an eligible employee is scheduled to work on any such holiday, but fails to report or perform his scheduled or assigned work, he shall become ineligible to pay for the unworked holiday, unless he has failed to report or perform such work because of his sickness or because of serious sickness or death in the immediate family [mother, father (including in-laws), children, brother, sister, husband, wife and grandparents] or because of similar good cause. When no work was performed in the payroll period preceding the holiday pay period, the holiday pay period shall be used. Holiday allowance shall be adjusted by an amount per hour to reflect any general wage change in effect at the time of such holiday, but not in effect in the period used in calculating 11.19

holiday allowance.

2. As used in this Subsection, an eligible employee is one who (a) has worked thirty (30) turns since his last hire; (b) performs work or is on vacation in the payroll period in which the holiday is observed; or if he is laid off for such payroll period, performs work or is on vacation in both the payroll period preceding and the payroll period following the payroll period in which the holiday is observed; and (c) works as scheduled or assigned both on his last scheduled workday prior to and his first scheduled workday following the day on which the holiday is observed; unless he has failed to so work because of his sickness or because of serious sickness or death in the immediate family, or because of similar good cause. **11.20**

3. A part-time employee who is otherwise eligible shall receive pay for a holiday not worked on the basis of his total hours worked in the pay period preceding the one in which the holiday is observed, divided by ten (10), times his average straight-time hourly rate of earnings in such pay period (including applicable incentive earnings but excluding shift differentials and Sunday and overtime premium) but not, however, in excess of eight (8) hours' pay. When no work was performed in the pay period preceding the holiday pay period, the holiday pay period shall be used. **11.21**

4. *When one of the holidays listed in* Subsection C above is observed during an eligible employee's vacation, he shall be entitled to one additional day of vacation with pay, or at the option of the Company, shall receive one additional day's pay computed as provided for vacation pay. **11.22**

5. The provisions of Subsection XI-D-4 shall apply to (a) an employee whose vacation has **11.23**

been scheduled prior to his layoff and who thereafter is laid off and takes his vacation as scheduled, or (b) an employee who is not at work at the time his vacation is scheduled, but who thereafter returns to work and then is absent from work during a holiday week because of his scheduled vacation. An employee who is not at work at the time of scheduling his vacation and is not working at the time his vacation commences is not eligible for holiday pay for a holiday occurring during his vacation within the meaning of Subsection XI-D-2(b) or Subsection XI-D-4.

It is understood that:

**(a)** No employee shall receive more than double time and one-half for hours worked on such holidays. **11.24**

**(b)** If an eligible employee performs work on a holiday, but works less than 8 hours, he shall be entitled to the benefits of this Subsection to the extent that the number of hours worked by him on the holiday is less than 8. **11.25**

**(c)** The requirement to work as assigned to be eligible for holiday pay shall not nullify the provisions of Subsection C of Section X, where applicable. **11.26**

**E. 1.** Except as provided in Paragraph 4 of this Subsection, payment of overtime rates shall not be duplicated for the same hours worked. To the extent that hours are compensated for at an overtime rate under one provision, they shall not be counted as hours worked in determining overtime under the same or any other provision. **11.27**

**2.** Hours not worked but for which reporting allowance under Subsection C of Section X-Hours of Work is paid shall not be used for determining hours of work or earnings for the calculation of or payment for overtime. **11.28**

**3.** Except as provided in Paragraph 4 of this **11.29**

Subsection, hours paid for but not worked under Subsection D of this Section shall not be counted in determining hours of work or earnings for the calculation of or payment for overtime.

**4.** Recognized holidays, whether worked or not and whether scheduled as a day of work or not, shall be counted as a day worked in determining overtime under the provisions of Subsection C-1-c, d or e of this Section, and hours worked on a holiday shall be counted for purposes of computing overtime liability under the provisions of Subsection C-1-a above. **11.30**

## SECTION XII – VACATIONS

### A. Purpose

The purpose of this Plan is to promote good will by providing vacations with pay for wage earner employees in recognition of their regular and continuous service over a number of years, and to enable those employees who qualify to enjoy a period of rest. **12.1**

### B. Eligibility-Vacations

**1.** To be eligible for a vacation in any calendar year during the term of this Agreement, the employee must: **12.2**

**a.** Have one year or more of continuous service; and **12.3**

**b.** Not have been absent from work for six consecutive months or more in the preceding calendar year; except that in case of an employee who completes one year of continuous service in such calendar year; he shall not have been absent from work for six consecutive months or more during the 12 months following the date of his original employment; provided, that an employee with more than one year of continuous service who in any year shall be ineligible for a vacation by reason of the provisions of this para- **12.4**

graph as a result of an absence on account of layoff or illness shall receive one week's vacation with pay in such year if he shall not have been absent from work for six consecutive months or more in the 12 consecutive calendar months next preceding such vacation. Any period of absence of an employee while on vacation pursuant to this Section or while absent due to a compensable disability in the year in which he incurred such disability, or while in military service in the year of his reinstatement to employment shall be deducted in determining the length of a period of absence from work for the purpose of this Subsection B-1-b.

**2.** Continuous service shall date from: (a) the date of first employment at the plant (in the case of transferred employees from any plant listed in Subsection XIII-M-1-a the date shall be the date of first employment at the plant from which first transferred); or (b) subsequent date of employment following a break in continuous service, whichever of the above two dates is the later. Such continuous service shall be in accordance with the rules set forth in Subsections C and D of Section XIII-Seniority, except for rules which are therein made applicable only for purposes of Section XIII. **12.5**

**3.** Any employee eligible under this Subsection B to receive vacation benefits under this Section shall receive such vacation benefits unless he quits, dies, or is discharged prior to January 1 of the vacation year. **12.6**

**C. Length of Vacation and Vacation Pay**

**1.** An eligible employee who has attained the years of continuous service indicated in the following table in any calendar year during the continuation of this Agreement shall receive a vacation corresponding to such years of continu- **12.7**

ous service as shown in the following table:

| Years of Service | Weeks of Vacation |
|---|---|
| 1 but less than 3 | 1 |
| 3 but less than 10 | 2 |
| 10 but less than 17 | 3 |
| 17 but less than 25 | 4 |
| 25 or more | 5 |

**Effective January 1, 2000 the vacation table is replaced by the following table:**

| **Years of Service** | **Weeks of Vacation** |
|---|---|
| **1 but less than 3** | **1** |
| **3 but less than 8** | **2** |
| **8 but less than 15** | **3** |
| **15 but less than 24** | **4** |
| **24 or more** | **5** |

**2.** A week of vacation shall consist of 7 consecutive days. * **12.8**

*See Appendix C, Paragraph 9

**D. Scheduling of Vacations**

**1.** General

**a.** On or promptly after October 1 of each year, each employee entitled or expected to become entitled to take vacation time off in the following year will be requested to specify in writing (not later than 30 days after the receipt of such request), on a form provided by the Company, the vacation period or periods he desires. **12.9**

**b.** Notice will be given an employee at least 60 days in advance of the date his vacation period is scheduled to start but in any event not later than January 1 of the year in which the vacation is to be taken. **12.11**

**c.** Vacations will, so far as practicable, be granted at times most desired by employees (longer service employees being given preference as to choice); but the final right to allot vacation periods and to change such allotments is exclusively reserved to the Company in order to insure the orderly operation of the plants. **12.12**

**d.** Any employee absent from work because of layoff, disability or leave of absence at the time employees are requested to specify the vacation periods they desire and who has not previously requested and been allotted a vacation period for the calendar year, may be notified by Management that a period is being allotted as his vacation period but that he has the right within 14 days to request some other vacation period. If any such employee notifies Management in writing, within 14 days after such notice is sent, that he desires some other vacation period, he shall be entitled to have his vacation scheduled in accordance with Paragraph D-1-c. **12.13**

**e.** If an employee is on layoff from the plant at any time before the beginning of his scheduled vacation hereunder, he may request to have his vacation start at any time during such layoff and if Management agrees to grant his request, it shall have the right to set the appropriate conditions under which it grants his request. **12.14**

**f.** Where an employee transfers from one seniority unit to another subsequent to January 1 in any given year, he shall take his vacation in accordance with the schedule established in his old seniority unit except as orderly operations of his new seniority unit preclude it. He shall not be entitled to have any vacation schedule previously established in his new seniority unit changed because of his entry into that unit; should there be a conflict between the transferred employee **12.14.1**

and an employee in the unit, the employee in the unit shall retain his preference in competition with the transferred employee regardless of continuous service.

**2. Vacations**

**a.** Vacations may be scheduled throughout the calendar year. **12.15**

**b.** The Company may, with the consent of the employee, pay him vacation allowance, in lieu of time off for vacation, for any weeks of vacation in excess of two weeks in any one calendar year. **12.16**

**c.** Vacation shall be scheduled in a single period of consecutive weeks, provided, however, that in the event the orderly operations of the plant require, vacations of two or more weeks may be scheduled in two periods, neither of which may be less than one week. With the consent of the employee, vacation may be scheduled in any number of periods, none of which may be less than one week. **12.17**

**d.** In case Management desires to schedule vacations for employees eligible therefor during a shutdown period instead of in accordance with the previously established vacation schedules for that year, Management shall give affected employees sixty days' notice of such intent; in the absence of such notice, an affected employee shall have the option to take his vacation during the shutdown period or to be laid off during the shutdown and to take his vacation at the previously scheduled time. **12.18**

**e.** Any employee otherwise entitled to vacation, pursuant to the vacation section of this Agreement in the calendar year in which he retires under the terms of any pension agreement between the parties which makes him eligible for a special initial pension amount, but who has not taken such vacation prior to the date of **12.19**

ch retirement, shall not be required to take a cation in that calendar year and shall not be ntitled to vacation pay for that calendar year.

**f.** The calendar week containing New ear's Day may be taken as a week of vacation r either the year preceding New Year's Day or e year in which New Year's Day falls, except hen New Year's Day falls on Sunday, provided ich vacation week has been scheduled as acation in accordance with this Section. If the ompany in its sole discretion schedules a shut-own of any operation during the calendar week ontaining Christmas Day, any employee who is ot scheduled to work due to the shutdown in ich week and who has completed his vacation ntitlement for that year may elect to reschedule week of vacation for which the employee has ualified and will be entitled in the following cal-ndar year into the shutdown week; provided, owever, that vacation pay for such vacation eek, calculated as though the week were cheduled and taken in the next following year ill be paid on the regular payday for the pay eriod in which the shutdown vacation falls, and ovided further that no vacation pay for a vaca-on rescheduled hereunder will be paid to an mployee who quits, retires, dies or is discharged ior to January 1 of the year from which the nutdown vacation was rescheduled. **12.19.1**

**3. Vacation Scheduling Grievances**

**a.** It is recognized that the parties locally ave the burden of resolving disputes relating to e scheduling of individual vacations pursuant to ubsection D of this Section. Should they be nable to do so in the First Step of the grievance rocedure provided in Section VI of this greement, any such complaint must be referred the Second Step not later than 15 days after **12.34**

notification of the scheduled vacation (or changed scheduled vacation) is given to the employee.

**b.** Such complaint must be so handled in the grievance procedure that: the Third Step meeting is held and a written answer given not later than 80 days prior to the starting date of the scheduled vacation; the Fourth Step meeting is held and written answer given not later than 70 days prior to the start of the scheduled vacation; and, if necessary, decision in arbitration is issued by the earlier of (a) 30 days prior to the scheduled starting date of the vacation, or (b) 30 days prior to the starting date requested by the employee, except that: **12.35**

**(1)** In the event the employee is seeking a vacation starting earlier than that scheduled by the Company, the time limits described above shall be applied to the starting date requested by the employee; **12.36**

**(2)** If the period between notice to the employee and the starting date of the vacation is less than 100 days, the time limits set out above shall be reduced by the number of days by which such period is less than 100 days; and **12.37**

**(3)** Failure to meet any of the time limits set forth above shall not affect the Company's right to require the employee to take the vacation as scheduled by the Company unless such failure is the fault of the Company. **12.38**

**c.** In the resolution of complaints or grievances filed under this Subsection, the Company's determination as to the scheduling required to conform to the requirements of operations shall be evaluated on the same basis as heretofore. **12.40**

**E. Vacation Wages-How Paid**

**1.** Vacation wages will be paid immediately **12.41**

preceding the time of taking vacation.

**2.** Employees who do not receive their vacation wages at the time of taking vacations, or employees who, in accordance with Subsection D-2-b above, work in lieu of a vacation, shall be given their vacation allowance immediately preceding December 25, unless the employee requests payment at an earlier date. **12.42**

***F. Vacation Pay***

**1.** Each employee granted a vacation under this Section XII will be paid at his average rate of earnings per hour for the prior calendar year. Average rate of earnings per hour (for the purposes of this Section) shall be computed by: **12.43**

**a.** Totaling (1) pay received for all hours worked (total earnings including holiday premium but excluding premium for overtime, Sunday, and shift differential); (2) vacation pay including pay in lieu of vacation, and (3) pay for unworked holidays, and **12.44**

**b.** Dividing such earnings by the total of (1) hours worked, (2) vacation hours paid for, including hours for which pay in lieu of vacation was paid, and (3) unworked holiday hours which were paid for. **12.45**

Such average rate of earnings will be adjusted to reflect intervening general wage changes for a vacation or portion thereof scheduled after such wage change in accordance with practices *in effect under the July 1, 1954 Agreement.* **12.46**

**2.** Hours of vacation pay for each vacation week shall be the average hours per week worked by the employee in the prior calendar year. Any weeks not having 32 hours of actual work shall be excluded from the calculation. Average hours per week worked shall be computed by: **12.47**

**a.** Totaling the following hours in payroll **12.48**

weeks with 32 or more hours of actual work:

(1) Hours worked
(2) Hours paid for unworked holiday or vacation hours falling in such week
(3) Hours paid for funeral leave
(4) Hours paid for jury service
(5) Hours paid for witness service
(6) Hours excused from scheduled work and not paid for because of Union business, and

**b.** Dividing such hours by the number of such weeks in which 32 or more hours were worked. **12.49**

The minimum number of hours paid for each week of vacation shall be 40 and the maximum number of hours paid for each week of vacation shall be 48. **12.50**

**3. Effective August 1, 2001, a vacation bonus of two hundred fifty dollars ($250) per week will be paid to employees for each week of vacation taken in the ten (10) consecutive calendar week period beginning with the first full week following the calendar week containing New Year's Day.** **12.50.1**

**4.** Any employee who did not work in the prior year shall have his vacation pay computed on the basis of his last calculated vacation rate and hours adjusted in accordance with the last sentence of paragraph 1 above. **12.51**

**5.** The definitions contained in this Subsection XII-F are designed for and shall be used exclusively for the purpose of calculating vacation pay. **12.52**

**6.** If rehired employees are eligible for vacations due to previous service, the vacation pay will be calculated on the basis of this Subsection XII-F. **12.53**

**G. General Regulations**

**1.** An employee shall not be permitted to trade his vacation privilege for an unauthorized absence taken in advance of the vacation period assigned him. **12.54**

**2.** A vacation may be rescheduled for another date, or granted in case of sickness or other physical disability but no time allowance will be made for sickness or other incapacity occurring during the vacation. **12.55**

**H. Part-Time Employees-Vacations**

A part-time employee is an employee who regularly, for his own convenience, is not available for full-time employment. Such employees will be granted vacation allowance and time off equal to the average number of hours worked per week and rate per hour, as set forth in Subsection F hereof. **12.56**

**I. Vacation Allowance**

**1.** The Union and the Company agree that their mutual objective is to afford maximum opportunity to the employees to obtain their vacations and to attain maximum production. All employees eligible for vacation shall be granted their vacation from work except as provided in Paragraph D-2-b above. **12.57**

**2.** The vacation allowance due an employee shall be computed as provided in Subsection F above. **12.58**

**3.** Any payment of vacation allowance shall not require the Company to reschedule the vacation of any other employee. **12.59**

## SECTION XIII – SENIORITY

### . Seniority Status Of Employees

The parties recognize that promotional oppor- 13.1
unity and job security in event of promotions, ecrease of forces and recalls after layoffs hould increase in proportion to length of continous service, and that in the administration of his Section the intent will be that wherever praccable full consideration shall be given continuus service in such cases.

Except where a local seniority agreement pro- 13.2
des for some greater measure of service length an plant continuous service, plant continuous ervice (hereinafter plant service) shall be used r all purposes in which a measure of continuus service is utilized.

In recognition, however, of the responsibility 13.3
the Management for the efficient operation of e Works, it is understood and agreed that in all ases of:

1. Promotion, (except promotions to posi- 13.4
ons excluded under the definition of "employes" in Section II-A-Coverage) the following ctors as listed below shall be considered; howver, only where factor "a" is relatively equal shall ngth of continuous service be the determining ctor:

   **a.** Ability to perform the work
   **b.** Continuous service

2. Decrease in forces or recalls after lay- 13.5
ffs–The following factors as listed below shall be onsidered; however, only where factor "a" is relively equal shall continuous service be the etermining factor:

   **a.** Ability to perform the work
   **b.** Continuous service

Nothing in this Subsection A shall prevent 13.6

plant management and the grievance committee from mutually agreeing to fill an equal or lower job in a promotional sequence with a senior employee. Nor shall anything in this Subsection A prevent plant management and the grievance committee from executing an agreement in writing to provide an opportunity to any employee displaced in the course of a reduction of forces from exercising his seniority to the extent appropriate to obtain a job paying higher earnings; provided, such employee is otherwise qualified with respect to relative ability to perform the work as provided above. **Plant Management and the Grievance Committee may mutually agree to provide training for Employees disabled in the plant and to assign them to vacancies for which they are qualified on the basis of such seniority arrangements as they may determine.**

**B. Determination of Seniority Units**

Seniority shall be applied on a job and departmental, or larger unit basis, as established or agreed upon. A job may be in one seniority unit for one purpose, such as promotions, and may be in a different seniority unit for another purpose such as layoffs. **13.7**

The existing seniority units and departments to which the seniority factors shall be applied and the rules for application of the seniority factors covered by existing local agreements shall remain in effect unless or until modified by local written agreement signed by Management and the General Grievance Committeeman. Local seniority agreements in effect as of the date of this Agreement shall be consistent with Appendix XX, Memorandum of Understanding Regarding Consent Decree I. **13.8**

Hereafter all future local seniority agreements **13.9**

shall provide that: all promotions (including step-ups), decreases in forces (including demotions and layoffs), recalls after layoff and other practices affected by seniority shall be in accordance with plant service provided that, (a) demotions, layoffs and other reductions in force shall be made in descending job sequence order starting with the highest affected job and with the employee on such job having the least length of plant continuous service, and (b) the sequence on a recall shall be made in the reverse order so that the same employees return to jobs in the same positions relative to one another that existed prior to the force reductions. Future local agreements may provide for a procedure varying from the foregoing upon joint approval by designated officials of the Company and the International Union. Subject to the provisions of Subsection N of this Section, in any case in which local agreement cannot be consummated as to the seniority units in which a new job or new jobs, including those in new, merged or transferred operations, are to be placed, or the rules for application of the seniority factors to such jobs (including the appropriate progression and regression structure), Management shall include such job or jobs in the most appropriate seniority unit or, if more appropriate, establish a new seniority unit, and establish rules for application of the seniority factors to such jobs (including its determination of the appropriate progression and regression structure), subject to the grievance procedure of this Agreement.

**C. Continuous Service**

**1.** Continuous service shall be determined **13.10**
by the employee's first employment, or reemployment following a break in continuous service, in any Works of the Company covered by this

Agreement; provided, however, that the effective date of employment prior to the date of this Agreement shall be the date of first employment or reemployment after any event which constituted a break in service under the practices in effect at the time the break occurred.

**2.** There shall be no deduction for any time lost which does not constitute a break in continuity of service except as provided in Paragraph 4 below. **13.11**

**3.** Continuous service is broken in the manner set forth in Paragraph 4 below, and by: **13.12**

**a.** Voluntarily quitting the service **13.13**

**b.** Termination due to discharge for cause, suspension or Leave of Absence, any of which continues for more than six (6) months. **13.14**

**c.** Failure of an employee on layoff due to level of operations to report to the Employment Office within ten (10) days of registered mail notice or have a satisfactory excuse for not so reporting. **13.15**

**d.** Absence due to sickness, if the employee does not periodically (every thirty (30) days), report his status to the Employment Department or have a satisfactory excuse for not so reporting. **13.16**

**e.** Termination in accordance with Section XVI–Severance Allowance. **13.17**

**f.** Absence in excess of two years, except as provided in Paragraphs 4 and 5 below. **13.18**

**4.** If an employee is absent because of layoff or physical disability in excess of two years, he shall continue to accumulate continuous service during such absence for an additional period equal to (i) three years, or (ii) the excess, if any, of his length of continuous service at commencement of such absence over two years, whichever is less. Any accumulation in excess of two years **13.19**

during such absence shall be counted, however, only for purposes of this Section XIII, including ocal agreements thereunder, and shall not be counted for any other purpose under this or any other agreement between the Company and the nternational Union. In order to avoid a break in service within the above period after an absence n excess of two years, an employee absent because of layoff or physical disability must eport for work promptly upon termination of either cause, provided, in the case of layoff, the Company has mailed a recall notice to the last address furnished to the Company by the employee.

5. Absence due to injury while on duty shall **13.20** not break continuous service (and continuous service will be accumulated) until termination of he period for which statutory compensation is payable, provided, that the employee returns to work as soon as he is physically able to do so.

**D. Probationary Employees**

New employees and those hired after a break **13.21** n continuity of service will be regarded as probationary employees for the first 520 hours of actual work and will receive no continuous service credit during such period. **For all such employees hired after August 1, 1999, the probationary period will be one thousand (1000) hours.** Probationary employees shall have the grievance and arbitration procedure available to them to the same extent as other employees but may be laid off or discharged as exclusively determined by Management; provided that this will not be used for purposes of discrimination because of race, color, religious creed, national origin, handicap, status as a disabled veteran or veteran of the Vietnam era, sex, or age or because of membership in the Union.

Probationary employees continued in the service of the Company subsequent to the first 520 **[or one thousand (1000)]** *hours of actual work shall* receive full continuous service credit from date of instant hiring. Where a probationary employee is relieved from work because of lack of work and his employment status terminated in connection therewith, and he is subsequently rehired at the same works or plant within one year from the date of such termination, the hours of actual work accumulated by such probationary employee during his first employment shall be added to the hours of actual work accumulated during his second employment in determining when the employee has completed five hundred and twenty (520) **[or one thousand (1000)]** hours of actual work; provided, however, that should such an employee complete five hundred and twenty (520) **[or one thousand (1000)]** hours of actual work in accordance with this sentence, his continuous service date will be the date of hire of his second hiring. If, however, such an employee is rehired within two weeks of his last termination from employment at the same works or plant, his continuous service date will be the date of hire for his prior employment.

**E. Interplant and Intraplant Transfers**

It is recognized that conflicting seniority claims among employees may arise when plant or department facilities are created, expanded, added, merged, or discontinued, involving the possible transfer of employees. It is agreed that such claims are matters for which adjustment shall be sought between Management and the appropriate grievance representatives or committees. **13.22**

In the event the above procedure does not result in agreement, the International Union and **13.23**

the Company may work out such agreements as they deem appropriate irrespective of existing seniority agreements or may submit the matter to arbitration under such conditions, procedures, guides and stipulations as to which they may mutually agree.

**F. Temporary Vacancies**

**13.24** In cases of temporary vacancies involving assignments within a seniority unit, the Company shall to the greatest degree, consistent with efficiency of the operation and the safety of employees, assign the employee with longest continuous plant service in the unit provided such employee desires the assignment. Such temporary assignment shall be regarded as training by which the Company may assist employees older in service to become qualified for permanent promotion, as promotion may be available. However, in case of a permanent vacancy on a job, the assignment of a junior employee to a temporary vacancy on such job shall not be used as a presumption of greater ability in favor of such junior employee if such temporary vacancy should have been made available, in accordance with then prevailing practices as to filling such a temporary vacancy, to the senior employee but was not.

**G. Decrease of Force**

**13.25** In the event a decrease of work, other than decreases which may occur from day to day, results in the reduction to an average of 32 hours per week for the employees in the seniority unit continuing for two pay periods and a further decrease of work appears imminent, which in the Company's judgment may continue for an extended period and will necessitate a decrease of force or a reduction in hours worked for such employees below an average of 32 hours per week, the Management of the plant and the

grievance committee will confer in an attempt to agree as to whether a decrease of force shall be effected in accordance with this Section, or the available hours of work shall be distributed as equally between such employees as is practicable with due regard for the particular skills and abilities required to perform the available work. In the event of disagreement, Management shall not divide the work on a basis less than 32 hours per week.

**H. Posting of Job Openings**

**1.** When a permanent vacancy develops, or **13.26**
is expected to develop (other than a temporary vacancy) in the promotional line in any seniority unit, Management shall post notice of such vacancy or expected vacancy or job assignments where such is the present practice, for such period of time and in such manner as may be appropriate at each plant.

**2.** Employees in the seniority unit who wish **13.27**
to apply for the vacancy or expected vacancy, may do so in writing in accordance with rules developed by Management at each plant.

**3. a.** A permanent vacancy on an entry level **13.28**
job in department-wide competition shall be brought to the notice of all employees within the department in accordance with administrative rules presently in effect or as may be mutually changed by plant management and the appropriate *grievance representatives or committees.* Where necessary such notice shall be posted and in any event, the rules developed shall insure complete and adequate notice to all affected employees of (a) the vacancies and, subsequently (b) the employees selected, including their plant continuous service dates.

**b.** A permanent vacancy on an entry level **13.29**
job in plant-wide competition shall be posted on

a plant-wide basis in accordance with adminis-
rative rules presently in effect or as may be
mutually changed by plant management and the
ppropriate representatives or committees, as to
ocation of posting, duration of posting period,
nethod of bidding, period for selection, notice of
election, and method or procedure for contest-
ng a selection. Such rules shall require that (a)
he notice of vacancy posted shall indicate the
epartment, job title, job class, estimated number
f employees needed, date of posting, and the
me and location where bids can be filed for the
acancy involved, (b) the bids shall be in writing,
nd (c) the subsequent notice of the prevailing
idders shall indicate their plant continuous serv-
ce dates.

**c.** A permanent vacancy may be filled by **13.30**
emporary assignments in accordance with appli-
able seniority agreements until such time as the
revailing bidder is selected and assigned.

**4.** Management shall, if in its judgment there **13.31**
re applicants qualified for the vacancy or
xpected vacancy, fill same from among such
pplicants in accordance with the provisions of
ubsections A and B of this Section.

**5.** The term entry level job refers to the job or **13.32**
obs in a seniority unit or line of promotion in
which permanent vacancies remain after all
mployees with incumbency status in such unit
r line have exercised their promotional and other
eniority rights.

## I. Seniority Status of Grievance Committeemen and Local Union Officers

When a decrease of force is effected pursuant to Subsection G-Decrease of Force, of this Section, the member of the Plant Grievance Committee, if any, in that unit, shall, if the reduction in force continues to the point at which he would otherwise be laid off, be retained at work, and for such hours per week as may be scheduled in the department in which he is employed, provided he can perform the work of the job to which he must be demoted. The intent of this provision is to retain in active employment the Plant Grievance Committeemen for the purpose of continuity in the administration of the labor agreement, in the interest of employees, so long as a work force is at work, provided that no Grievance Committeeman shall be retained in employment unless work which he can perform is available to him in the plant area which he represents on the Grievance Committee. **13.33**

This provision shall apply also to employees who hold any of the following offices in the local union or local unions in which the employees of the plant are members: President, General Grievance Committeeman, Vice President, Financial Secretary, Recording Secretary and Treasurer. Each local union shall furnish the Works Management with a list of names and check numbers of employees to whom this Subsection shall apply. **13.34**

## J. Leaves of Absence for Employees Who Accept Positions with the International or Local Unions

Leaves of absence for the purpose of accepting positions with the International or Local Unions of the United Steelworkers of America shall be available to a reasonable number of **13.35**

employees. Adequate notice of intent to apply for leave shall be afforded local plant management to enable proper provision to be made to fill the job to be vacated.

Except as otherwise provided in Appendix S, leaves of absence for the purpose of accepting positions with the International shall be for a period not in excess of three years. Leaves of absence may be extended for an additional period equal to (i) six years, or (ii) the excess, if any, of his length of continuous service at commencement of the leave of absence over three years, whichever is less; provided, however, that any accumulation of continuous service in excess of two years from the commencement of the leave of absence shall be counted only for purposes of Section XIII of this Agreement, including local agreements thereunder, and shall not be counted for any other purpose under this or any other agreement between the Company and the International Union. **13.36**

**Leaves of absence for the purpose of accepting a temporary position with the International Union shall be for a period of 6 months and the accumulated periods of such temporary absences shall be considered for purposes of determining the maximum leave of absence available to an Employee as set forth above; provided, however, in no event shall an Employee be entitled to more than 2 years of cumulative leaves of temporary absence.** **13.36.1**

Leaves of absence for the purpose of accepting positions with the local unions shall be for a period not in excess of three years and may be renewed for further periods of three years each. **13.37**

Continuous service shall not be broken by the leave of absence but, except as set forth in mar- **13.38**

ginal paragraph 13.36 above, will continue to accrue.

**K. 1.** The seniority standings of employees in a given department shall be kept on file in that department and the Union Zone Grievance Committeeman or General Grievance Committeeman shall have access to such file in connection with any grievances. **13.39**

**2.** The Company shall, in any plant where there are employees with two or more years of plant continuous service on layoff, post no later than noon of each Monday on the bulletin board maintained for that purpose, the plant continuous service date of the employee in each such pool with the least continuous service necessary to hold a job in such pool. Local plant arrangements also may be made whereby, upon request to a foreman, a grievance committeeman will be informed as to any employee under such foreman's supervision who has been retained on a pool job in the plant area that the grievance committeeman represents, although such employee has a more recent continuous service date than posted for such pool. **13.40**

**L. Seniority Pools**

1. Purpose

The purpose of this Subsection L is to increase intraplant job security for longer service employees. The application of seniority provisions other than those established under this Subsection L to jobs in a seniority unit shall not be affected by the inclusion of such jobs in the pool except to the extent necessary to comply with the provisions of this Subsection L. **13.41**

2. Establishment of Seniority Pools

It is the objective of the parties that there shall be at each plant the minimum number of seniority pools as described below consistent with the **13.42**

fficient operation of the plant. As a minimum, the greed-upon area covering a single seniority ool in each case shall be as broad as practica-le and in no event shall be less than a major perating unit such as Blast Furnace, Coke lant, Open Hearth, etc.; however, rolling facili-es need not necessarily be considered as one nit but shall nevertheless be as broad as practi-able.

Each seniority pool within an agreed-upon rea as established or revised pursuant to the bove objectives shall be regarded as being a ngle seniority pool for the purposes of layoff nd recall. Each such pool shall be made up of all bs in Job Classes 1, 2, and 3, and such jobs in ob Class 4 or higher as shall be agreed upon by ıe local parties. The number of jobs in Job Class or higher to be included in the pool shall be no ss than the total number of Job Class 4 jobs in e agreed upon area. The job opportunities pro-ded by the jobs in Job Class 4 or higher includ-d in the pool as of the pay period including the 0th day after the effective date of this greement shall be approximately equivalent to e job opportunities provided by all Job Class 4 bs in the agreed upon area as of such date. If a articular job required to be included in the pool y the foregoing provisions is inappropriate for clusion in the pool, the local parties may agree *remove it from the pool provided that another* uitable job (or jobs) is concurrently added to the ool which does not reduce significantly the num-er of job opportunities provided by the job which as removed from the pool. **13.43**

3. Operation of a Seniority Pool

An employee who, at the time he is or other-ıse would be laid off, has 2 or more years of ant continuous service, shall be assigned to a **13.44**

job for which he is qualified in his seniority pool, if a job in his seniority pool is held by an employee having less plant continuous service; provided, however, that Management shall not be required to assign him to any such job before the expiration of 30 days (or such shorter period as may have been heretofore agreed upon by the local parties) after the date of his layoff. In filling other than temporary vacancies in jobs in any seniority pool, Management will recall employees laid off from the seniority units covered by the pool in the order of their plant continuous service; however, the employee must be qualified to perform the job. Where practicable, however, Management will make a reasonable effort to assign, on the basis of plant continuous service, an employee laid off from his seniority unit to a pool job he prefers which is not held by an employee of that unit. However, Management shall have the right, to the extent necessary, to designate the specific job in any pool to which an employee shall be assigned (and to change such assignments) in order to provide jobs for longer-service employees who would otherwise be unable to qualify for an available job in the pool. In order to maintain efficiency, Management need not assign laid-off employees to a job in any operating or service unit where such assignment would result in less than the required minimum of experienced employees in such unit. The local parties may by agreement determine whether there are circumstances under which an employee need not accept a pool job.

**4.** Operation of Multiple Seniority Pools

**13.45** In a plant in which there is established more than one agreed upon area as defined in paragraph 2 above, the following shall apply:

In the event of a permanent shutdown of a

facility as defined in Section XVI–Severance Allowance or layoff of one or more employees for a period which extends for three months or more or which the parties believe will extend for such a period, an employee affected who has two or more years of plant continuous service at time of layoff shall be given the right to a job in any seniority pool in the plant if a job in that pool is held by an employee with less plant service provided he is qualified to perform the job. Such assignments to jobs shall be subject to the same rules as apply in L-3 above. An employee who has been assigned to a job in a different seniority pool under this provision and who has been subsequently laid off from that pool shall have recall rights to that pool until he is recalled to a job in the agreed upon area from which he was originally laid off; provided, however, that such recall rights shall be limited to his own pool and the last pool from which he was laid off; and provided, further that the Company shall not be required under this paragraph to displace a shorter service employee with such laid-off employee before the expiration of 30 days after the date of such layoff.

**5.** Retention Rights

An employee assigned under any pool **13.46** arrangement to a seniority unit for purposes of retention shall have no seniority rights for promotional purposes in that unit, except in competition with an employee in such unit who has been employed less than 31 days prior to the retained employee's assignment in that seniority unit.

**6.** Miscellaneous

**a.** Employees shall be recalled directly to **13.47** jobs in their seniority units or promotional sequences above the seniority pool, if that is in accord with applicable seniority practices or

agreements.

**b.** If the Company recalls the wrong employee from a layoff to a job in a pool, it will not be liable for any retroactive pay to the employee who should have been recalled, with respect to any period prior to 4 days or the beginning of the payroll week, whichever is later, after receipt by the Company of specific written notice by him (on a form to be provided therefor) of its alleged error. **13.48**

**c.** If the local parties deem it helpful in facilitating the assignment of employees in the pool, they are empowered to agree in writing that schedule changes arising from movements of employees into, within or out of the seniority pools in accordance with the provisions of this Subsection L shall not be deemed a violation of the provisions relating to schedule changes or provide a basis for a claim for sixth or seventh day overtime compensation or reporting allowance. **13.49**

**M. Interplant Job Opportunities**

**1.** An employee of a steel plant continuously on layoff for sixty (60) days or more who had two or more years of Company continuous service on the date of his layoff and who is not eligible for an immediate pension and social security shall be given priority over other applicants (new hires, including probationary employees) for job vacancies (other than temporary vacancies) at designated plants of the company and in accordance with the following: **13.50**

**a.** Designated Plants are plants covered by this Agreement and LTV Steel Mining Company. **13.51**

**b.** The job vacancies for which employees shall be eligible under these provisions shall be only those that are not filled from the particular plant in accordance with this Section XIII. **13.52**

**c.** An employee shall be given such prior- **13.53**
ity only if he files with the Management of the plant from which he is laid off a written request for such employment specifying the other plant or plants at which he would accept employment. Such application shall be on a form provided by the Company.

**d.** Employees who thus apply may there- **13.54**
after be given priority in the filling of job vacancies (other than temporary vacancies) over new hires, and after they have been continuously on ayoff for sixty (60) days and have had an appli- :ation on file for thirty (30) days shall be given such priority in the order of their Company con- inuous service, and in the order of the Company :ontinuous service of other employees given pri- ırity over other applicants by other agreements etween the Company and the International Inion (the earliest date of birth to control where uch service is identical) in each case provided uch employees have the necessary qualifica- ons to advance in the promotional sequence volved. In determining the necessary qualifica- ons to advance in the promotional sequence volved the normal experience acquired by nployees in such sequence shall be taken into nsideration. It is recognized that there are cir- imstances under which it is impractical to afford ich priority to an applicant because of the immi- ince of his recall to his home plant. In such a se, the Company shall not incur liability for fail- ı to give priority to such applicant, if the period es not exceed two weeks or such longer peri- as may be agreed to by the employee. An ıployee who is otherwise eligible for employ- ınt shall not be required to meet higher med- l qualifications at another plant than would ve been required of him upon recall at his

home plant.

**e.** An employee laid off from one plant who is offered and who accepts a job at another plant in accordance with the foregoing provisions will have the same obligation to report for work there as though he were a laid-off employee at the plant. During his employment at that plant, he will be subject to all the rules and conditions of employment in effect at that plant. He will be considered as a new employee at that plant for all purposes except that: **13.55**

**(1)** The provisions of Subsection XIII-D-Probationary Employees will not be applicable, and his plant continuous service for determining his seniority for purposes of promotion, decrease in forces, or recalls after layoff (but not for purposes of applying Sections XIII-L-3 and XIII-L-4) at that plant shall be no less than his continuous employment at that plant plus sixty (60) days.

**(2)** For purposes of applying Sections XIII-L-3 and XIII-L-4, his plant continuous service shall be determined as follows: (i) an employee accumulating continuous service as of March 1, 1983 shall have plant continuous service from March 1, 1983 or sixty (60) days prior to his first employment at that plant, whichever is earlier. As among transferees, who have a March 1, 1983 plant continuous service date pursuant to this Sub-paragraph, competition shall be resolved on the basis of Company continuous service date; (ii) an employee hired or rehired on or after March 1, 1983 shall have plant continuous service as of the date of his employment at his home plant.

At any time during the first thirty (30) days of his employment at that plant he may elect to terminate such employment without affecting his continuous service at his home plant provided he

gives reasonable notice to plant management and provided further that such an election will affect his right to further consideration under this Subsection M in the same manner as if he had rejected a job offered to him. If he is laid off from hat plant his continuous service at the plant will be cancelled when he is recalled to his home plant, subject to the provisions of Subsection M-1-g below, or when he is employed at any other plant of the Company. If his home plant is closed permanently, his continuous service at that plant will be cancelled and the plant to which he was assigned will become his home plant, subject to he election provided in the following sentence. If is home plant is closed permanently or if his ome plant department or substantial portion hereof is permanently discontinued, and the mployee has less than two years of continuous ervice for layoff purposes at the new plant and neets the eligibility requirements for severance llowance, he may elect within ninety (90) days of uch closing or discontinuance to be assigned ack to his former home plant for the purpose of eceiving severance pay and thus terminating his ontinuous service with the Company for all purposes under this Agreement.

**13.56** **f.** If an employee rejects a job offered to m under these provisions, or if he does not spond within five (5) days of the time the offer made, directed to his last place of residence as own on the written request referred to in paraaph c above, his name shall be removed from ose eligible for priority hereunder, and he may ereafter apply, pursuant to Subsection M-1-c, r reinstatement; provided, however, that he all be entitled to only one such reinstatement ring the period of one year after such unacpted offer unless he is recalled to active

employment and again laid off during the one-year period after such unaccepted offer.

**g.** An employee who accepts employment at another plant under these provisions will continue to accrue continuous service for seniority purposes at his home plant in accordance with the applicable seniority rules. If he is recalled to work at his home plant: **13.57**

**(1)** He shall have an option to stay or return unless Management directs him to return, in which event his continuous service will continue to accrue for seniority purposes at the other plant until the expiration of one of the following applicable periods if he has not returned to employment at the other plant by that time. **13.58**

The periods are as follows: **13.59**

If recalled to a Job Class 10 or below job at his home plant, six (6) months;

If recalled to a Job Class 11 through 18 job at his home plant, one (1) year;

If recalled to a Job Class 19 or above job at his home plant, one and one-half (1-1/2) years;

If promoted to a higher job classification after his recall to his home plant, any longer period of seniority accrual at the other plant as determined by one of the periods above shall apply as of the date of his initial recall to the home plant; at the expiration of which period it will be cancelled if he has not returned to employment at the other plant. At any time within the period specified above, Management at the home plant may give the employee the option of returning to the other plant. If the employee elects to return to the other plant, his continuous service at his home plant shall be cancelled. **13.60**

**(2)** If Management makes his return to his home plant optional and he elects to return, his continuous service for seniority purposes at **13.61**

the other plant will be cancelled.

**(3)** If Management makes his return to his home plant optional and he elects to remain at the other plant, his continuous service for seniority purposes at his home plant will be cancelled. **13.62**

**h.** When an employee is recalled to his home plant from another plant, and the Management at such other plant has sound reason for not immediately releasing such employee, the employee may be retained at such other plant without penalty for the calendar week following the calendar week in which such recall occurs. If the employee is retained beyond this period for the convenience of Management at such other plant, he shall receive in addition to pay for the job performed, such special allowance as may be required to equal the earnings that otherwise would have been realized by the employee on the job to which he was recalled by his home plant. **13.63**

**2.** An employee who is assigned a job under this Subsection in a plant at least 50 miles from the plant from which he was laid off and who changes his permanent residence as a result thereof will receive a relocation allowance promptly after the commencement of his employment at the plant to which he is relocated, on the following terms: **13.73**

**a.** He must make written request for such allowance in accordance with the procedure established by the Company. **13.74**

**b.** The amount of relocation allowance will be determined in accordance with the following: **13.75**

| Miles between Plant Locations | Allowance for Single Employees | Allowance for Married Employees |
|---|---|---|
| 50-99 | $200 | $600 |
| 100-299 | 250 | 650 |
| 300-499 | 300 | 750 |
| 500-999 | 350 | 950 |
| 1,000-1,999 | 450 | 1,200 |
| 2,000 or more | 550 | 1,450 |

**c.** The amount of any such relocation allowance will be reduced by the amount of any relocation allowance or its equivalent to which the employee may be entitled under any present or future federal or state legislation; and the amount of such allowance shall be deducted from monies owed by the Company in the form of pay, vacation benefits, SUB benefits, pensions or other benefits, if the employee quits, except as it shall be agreed locally that the employee had proper cause, or is discharged for cause any time during the 12 months following the start of such new job. **13.76**

**d.** Only one relocation allowance will be paid to the members of a family living in the same residence. **13.77**

**3. a.** The operation of this Subsection M will be subject to periodic review by a joint committee, consisting of equal numbers of representatives of both parties (not more than 3 each), who shall meet periodically to review the operation of this Subsection and to consider and resolve any problems that may arise from its operation. The Company shall supply to such committee quarterly reports on the number and location of IJOP applications and the number and location of IJOP placements as well as such other pertinent information relating to the operation of this **13.78**

Subsection which is requested by the committee, including reasonably available information on the timing of such applications and placements. The committee shall review the day-to-day administration of this Subsection with a view toward increasing employee awareness of job opportunities. The committee shall study the operation of this Subsection to recommend to the Company and Union Bargaining Co-Chairmen whether changes in this Subsection would improve the utilization of the IJOP system for enhancement of employment opportunities and discourage misuse of the system for other purposes.

**b.** The following procedure shall apply only to complaints or grievances relating to the application of this Subsection M: **13.79**

**(1)** Any employee who believes that he has a justifiable request or complaint shall promptly refer the matter to a Staff Representative designated by the Union for this purpose, who, in turn will promptly arrange to discuss the request or complaint with the Company designated representative. **13.80**

**(2)** If not satisfactorily resolved, the Union's designated Staff Representative may refer the matter to the Company's Fourth Step Representative. Such referral shall be made in writing within 10 days of completion of the final discussion pursuant to (1) and shall set forth the Union's statement of fact, the action of the Company which the Union challenges, the clause or clauses of this Subsection M which are alleged to be violated, the relief sought, and the Union's position. The appealed grievance shall be handled in the regular grievance procedure established under this Agreement starting at the Fourth Step. **13.81**

**4.** In order to facilitate the operation of the **13.82**

program provided for in this Subsection M, it is agreed that (a) back pay shall not be awarded in any grievance based on those paragraphs unless the arbitrator finds that there has been willful and deliberate noncompliance therewith, and (b) the Company and the International Union may, upon recommendation of the committee provided for in paragraph 3 above, amend this Subsection M at any time during the period of this Agreement and that such amendment shall be effective with respect to any pending grievance.

**5.** The Company will not be liable for any retroactive pay with respect to any period prior to 4 days or the beginning of the payroll week, whichever is later, after receipt by the Company of specific written notice (on a form to be provided therefor) of its alleged error. **13.83**

**6.** By agreement between the Company and International Union, the provisions of this Subsection M may at any time be suspended and employees who are working at other plants under these provisions may be laid off, if it becomes necessary to do so to provide employment for long-service employees who are permanently displaced or for other valid reasons. **13.84**

**N. Manning of New Facilities**

**1.** In the manning of jobs on new facilities in existing plants, the jobs shall be filled by qualified employees who apply for such jobs in the order of length of plant continuous service from the following categories in the following order but subject to the other provisions of this Subsection N. **13.85**

**a)** Employees displaced from any facility being replaced in the plant by the new facilities.

**b)** Employees being displaced as the result of the installation of the new facilities.

**c)** Employees presently employed on like facilities in the plant.

**d)** Employees presently on layoff from like facilities in the plant.

**e)** Employees in the plant with two or more years of plant continuous service, provided, that if sufficient qualified applicants from this source are not available, Management shall fill the remaining vacancies as it deems appropriate.

**2.** The local parties shall meet to seek agreement on the standards to be used to determine the qualifications entitling employees otherwise eligible to be assigned to the jobs in question. **13.86**

**3.** Should the local parties fail to agree on the standards for determining qualifications, an applicant otherwise eligible shall have: **13.87**

**a)** The necessary qualifications for performing the job.

**b)** The ability to absorb such training for the job as is to be offered and is necessary to enable the employee to perform the job satisfactorily.

**c)** The necessary qualifications to progress in the promotional sequence involved to the next higher job to the extent that Management needs employees for such progression. In determining the necessary qualifications to advance in the promotional sequence involved, the normal experience acquired by employees in such sequence shall be taken into consideration. However, it is recognized that Management can require that a sufficient number of occupants of each job in a promotional sequence be available to assure an adequate number of qualified replacements for the next higher job.

**4.** An applicant who is disqualified under Subsection N-3 above shall have the right to apply for another job for which he believes he can qualify. **13.88**

**5.** When new facilities are to be manned pursuant to this Subsection XIII-N, the local parties shall meet and may establish, in appropriate circumstances, rules for allowing an employee not placed initially, a second opportunity to elect transfer to the new facility consistent with its efficient operation. In establishing such rule, the local parties shall consider matters such as: **13.89**

**a)** The job level in the promotional sequence in the new unit up to which an employee will be allowed a second opportunity to elect transfer.

**b)** The date on which the second opportunity must be exercised following start-up of the new facility, but not more than three years thereafter. (In determining such date, the parties shall give due consideration to possible Management abandonment of the old facility or an extended period of its nonuse.)

In lieu of or in addition to the foregoing, the local parties may develop a method for filling permanent vacancies in the new facility between the time of initial manning and the final election to transfer. **13.90**

**6.** Should Management deem it necessary to assign an employee to his regular job on the old facility in order to continue its efficient operation, it may do so on the basis of establishing such employee on the new job and temporarily assigning him to his former job until a suitable replacement can be trained for the job or its performance is no longer required. In such event, such employee shall be entitled to earnings not less than what he would have made had he been working on the job on which he has been established. **13.91**

**7. Where new facilities replace facilities of more than one plant in the same general** **13.91.1**

**locality, appropriate representatives of the Company and the International Union shall meet in conjunction with the local parties for the purpose of seeking an agreement on manning consistent with the parties' mutual intent to facilitate efficient manning and preserve job security for longer service Employees. In such situations, Company service may be considered in addition to plant service.**

**O. Permanent Vacancies and Transfer Rights** **13.92**

Permanent transfers shall not be made through the operation of the pool procedures. An employee who is assigned under a pool arrangement to a unit for purposes of retention shall not be able to effectuate a permanent transfer to that unit by refusing a recall to his home unit. (However, nothing contained herein shall preclude such an employee from effectuating a permanent transfer by bidding for a permanent vacancy in such a unit or any other unit. Moreover, nothing contained herein shall affect the rights of such employees under a permanent shutdown situation.) In addition, such a retained employee shall have only such promotional rights in the unit to which he is assigned for retention purposes as are provided for by Subsection XIII-L-5.

**1.** Subject to the exception provided by Paragraph 3 below for entry into trades and crafts, a three-step procedure for filling permanent vacancies shall be retained as presently agreed to. A permanent vacancy shall be filled from within the first step of competition (whether it be unit, line of progression, etc.) Each succeeding vacancy shall be filled in the same manner, and the resulting vacancy in the entry level job shall thereafter be filled on a departmental **13.93**

basis (the second step of competition) by employees with at least six months of plant service **(for employees hired on or after August 1, 1999, six months or the end of such employee's probationary period, whichever is later)** on the date the vacancy is posted or such lesser period as has been mutually agreed to by the local parties. Resulting entry level departmental vacancies shall be filled on a plant-wide basis (the third step of competition) by employees with at least six months of plant service **(for employees hired on or after August 1, 1999, six months or the end of such employee's probationary period, whichever is later)** on the date the vacancy is posted or such lesser period as has been mutually agreed to by the local parties. An employee transferring under Subsection XIII-M shall be eligible to bid on vacancies notwithstanding the six months plant service requirement set forth above.

**13.94** 2. However, in plants where operating circumstances so warrant (such as size, geography, job relationships, physical proximity, safety, and other appropriate factors), a two-step procedure for filling permanent vacancies shall be retained as presently agreed to. Under a two-step procedure, a permanent vacancy shall be filled from within the first step of competition (whether it be unit, line of progression, department, etc.). Each succeeding vacancy shall be filled in the same manner, and the resulting vacancy in the entry level job shall thereafter be filled on a plant-wide basis by employees with at least six months of plant service **(for employees hired on or after August 1, 1999, six months or the end of such employee's probationary period, whichever is later)** on the date the vacancy is posted or such lesser period as has been mutually agreed to by

he local parties.

3. As an exception to the procedures for fill- 13.95
ng vacancies provided for by paragraph 1 above, all permanent vacancies in apprenticeships and n entry level jobs in lines of promotion containing occupations which in fact lead to craft jobs shall be filled on a plant-wide basis from among qualified bidding employees. Similarly, permanent vacancies in craft jobs which are not filled by the promotion or assignment of apprenticeship graduates, or by the promotion of an employee from a non-craft job in a line of promotion leading to a craft job, or by the transfer of a craft employee from one unit to another within the same Trade or Craft shall be filled on a plantwide basis from among qualified bidding employees. An employee shall not be disqualified for bidding on any such vacancy by reason of any minimum length of service requirement. Should Management deem it necessary to retain an employee on his former job in order to continue efficient operation, it may do so on the basis of establishing such employee on the new job and temporarily assigning him to his former job until a suitable replacement can be trained for the job or its performance is no longer required. In such event, such employee shall be entitled to earnings not less than what he would have made had he been working on the new job on which he has been established and, where applicable, shall be paid as though such hours were credited to any apprenticeship.

4. Vacancies shall be made available in 13.96
accordance with the seniority factors set forth in Subsection XIII-A subject to the following:

a. An employee must be qualified to per- 13.97
form the job.

b. With respect to entry level jobs classi- 13.98

fied at Job Class 5 and below that are filled on a departmental or plant-wide basis, such jobs shall be filled from among qualified bidding employees in order of length of plant continuous service, subject, however, to Paragraph c. below.

**c.** With respect to jobs in promotional sequences leading to Trade or Craft or special-purpose maintenance jobs or to highly skilled operating or technical jobs, Management may require an employee to have the necessary qualifications to progress in the promotional sequence involved to the next higher job to the extent that Management needs employees for such progression. In determining the necessary qualifications to advance in the promotional sequence involved, the normal experience acquired by employees in such sequence shall be taken into consideration. However, it is recognized that Management can require that a sufficient number of occupants of each job in a promotional sequence be available to assure an adequate number of qualified replacements for the next higher job. **13.99**

**5.** If an employee accepts transfer under this Subsection 0, his continuous service in the unit from which he transfers will be canceled 30 days after such transfer, provided however, that during such 30-day period such employee may voluntarily return to the unit from which he transferred or Management may return him to that unit because he cannot fulfill the requirements of the job. In the event an employee accepts transfer under this Subsection 0, he may not again apply for transfer during the period of **one year** after such transfer. In the event an employee refuses a transfer under this Subsection 0 after applying therefor, or voluntarily returns to the unit from which he transferred, he may not again apply for transfer to **13.100**

such unit during the period of **one year** after such event.

**6.** Where a job sequence or line of progression includes jobs in the pool, such pool jobs in that job sequence or line of progression shall be considered as a single job in filling permanent vacancies above the pool. **13.101**

**P. Compensation for Improper Layoff or Recall**

In the event of improper layoff or failure to recall an employee in accordance with his seniority rights, in the absence of mutual agreement to an equitable lump sum payment, he shall be made whole for the period during which he is entitled to retroactivity in the same manner set forth in Section VIII. **13.102**

## SECTION XIV – SAFETY AND HEALTH

**A. *Objective and Obligations of the Parties***

The Company and the Union will cooperate in the continuing objective to eliminate accidents and health hazards. The Company shall make reasonable provisions for the safety and health of its employees at the plant during the hours of their employment. **14.1**

It is understood by the parties that to achieve the above objective, it is necessary that employees use protective devices, wearing apparel and other safety equipment provided in accordance with the terms of Subsection B of this Section. **14.2**

At plants where devices which emit ionizing radiation are used, the Company will continue to maintain safety standards with respect to such devices not less rigid than those adopted from time to time by the Nuclear Regulatory Commission and will maintain procedures designed to safeguard employees and will instruct them as to safe working procedures **14.3**

involving such devices.

**14.4** Where the Company uses chemicals, solvents or compounds which it knows to be toxic, it shall inform the affected employees of this fact and advise them as to what precautions, if any, should be taken. Upon the request of the Union Co-Chairman of the Safety and Health Committee, the Company shall provide in writing requested information from material safety data sheets or their equivalent on toxic substances to which employees are exposed in the work place; provided that when the information is considered proprietary, the Company shall so advise the Union Co-Chairman, and provide sufficient information for the Union to make further inquiry.

**14.5** The Company will continue its program of periodic inplant air sampling and noise testing under the direction of qualified personnel. Where the Union Co-Chairman of the Safety and Health Committee alleges a significant on-the-job health hazard due to inplant air pollution or noise, the Company will also make such additional tests and investigations as are necessary and shall notify the Union Co-Chairman of the Safety and Health Committee when such a test is to take place. A report based on such additional tests and investigations shall be reviewed and discussed with the Joint Safety and Health Committee. For such surveys conducted at the request of the Union Co-Chairman of the Safety and Health Committee, a written summary of the sampling and testing results and the conclusions of the investigation shall be provided to the Safety and Health Committee.

**14.5.1** When in the opinion of the International Health, Safety and Environment Department, additional information in the possession of the Company may be useful to an understanding of a

potential significant health hazard which is alleged to exist, the Company, upon written request by the International Health, Safety and Environment Department, will furnish such information. This information may include engineering studies, process descriptions, equipment specifications, ventilation studies and toxicological and epidemiological surveys but does not create an obligation to release personal medical information without the written consent of the affected employee.

Where the information constitutes a legitimate trade secret, the Company may require that the International Union sign an agreement to use the information only for the purpose of hazard evaluation and control and to take precautions to assure its confidentiality. **14.5.2**

The Company shall provide adequate first aid for all employees during their working hours. **14.6**

An employee who, as a result of an industrial accident, is unable to return to his assigned job or the balance of the shift on which he was injured, will be paid for any wages lost on that shift. **14.7**

**3. Protective Devices, Wearing Apparel and Equipment**

Protective devices, wearing apparel and other equipment necessary properly to protect employees from injury shall be provided by the Company in accordance with practices now prevailing in each separate plant or as such practices may be improved from time to time by the Company. Goggles; hard hats; hearing protection; prescription safety glasses (one pair every twelve months); face shields; respirators; special purpose gloves; fire retardant, water resistant or acid resistant protective clothing when necessary and required shall be provided by the Company **14.8**

without cost, except that the Company may assess a fair charge to cover loss or willful destruction thereof by the employee. Where any such equipment or clothing is now provided, the present practice concerning charge for loss or willful destruction by the employee shall continue. Proper heating and ventilating systems shall be installed where needed and maintained in good working condition.

**C. Disputes**

An employee, or group of employees, who **14.9**
believe that they are being required to work under conditions which are unsafe or unhealthy beyond the normal hazard inherent in the operation in question, shall have the right to file a grievance in the Third Step of the grievance procedure for preferred handling in such procedure and arbitration.

**D.** If an employee or group of employees believe **14.10**
that there exists an unsafe condition, changed from the normal hazards inherent in the operation so that the employee or employees are in danger of injury, he or they shall notify supervision of such danger and the facts relating thereto, and shall then have the alternative of being relieved from duty on the complained of job (or jobs) without loss of right to return to such job (or jobs) when the hazardous condition is remedied, and/or filing a grievance in the Third Step of the grievance procedure for preferred handling, including Arbitration.

Management may in its discretion assign **14.11**
such a relieved employee to other available work.

Under no circumstances shall a relieved **14.12**
employee take any action to prevent other employees from working on the job except to communicate information relating to the facts on the job. Should either Management or the Board

conclude that an unsafe condition within the meaning of this Subsection D existed and should the employee not have been assigned to other available equal or higher-rated work, he shall be paid for the earnings he otherwise would have received.

Management shall immediately take steps to remove the hazardous condition. **14.13**

In the event of a dispute as to the existence of an unsafe condition changed from the normal hazards inherent in the operation, the Chairman of the Union's Safety Committee and the Company's Safety Inspector shall immediately investigate the alleged condition and make a decision as to the validity of same. If the Union's Safety Committee Chairman and the Company's Safety Inspector are unable to agree on the disposition of the incident, the matter shall immediately be referred to the Board of Arbitration under special procedures to be worked out by that Board. **14.14**

**E. Joint Safety and Health Committee**

**1.** A Safety and Health Committee consisting of not less than three nor more than ten employees designated by the Union and an equal number of Management members if Management so desires shall be established in each plant. The Union and the Company shall designate their respective Co-Chairmen and shall certify to each other in writing such Co-Chairmen and committee members. The Committee shall hold monthly meetings at times determined by the Co-Chairmen who may also agree to hold special meetings. **14.15**

Each Co-Chairman shall submit a proposed agenda to the other Co-Chairman at least five days prior to the monthly meeting. The Company Co-Chairman shall provide the Union Co- **14.16**

Chairman with minutes of the monthly meeting.

Prior to such monthly meeting the Co-Chairmen or their designees shall engage in an inspection of mutually selected areas of the plant. At the conclusion of the inspection, a written report shall be prepared by the Company setting forth their findings. One copy of the report shall be furnished to the Union Co-Chairman. Time consumed on Committee work by Committee members designated by the Union shall not be considered hours worked to be compensated by the Company. The function of the Committee shall be to advise with plant management concerning safety and health and to discuss legitimate safety and health matters but not to handle grievances. In the discharge of its function the Committee shall: consider existing practices and rules relating to safety and health, formulate suggested changes in existing practices and rules, recommend adoption of new practices and rules, review proposed new safety and health programs developed by Management and review accident statistics including OSHA Form 200 and trends and disabling injuries which have occurred in the plant and make appropriate recommendations. **14.17**

**2.** The Union Co-Chairman or his designee will be afforded time off without pay as may be required to visit departments at all reasonable times for the purpose of transacting the legitimate business of the Committee, after notice to the head of the department to be visited or his designated representative and if the Committee member is then at work, permission (which shall not be unreasonably withheld) from his own department head or his designated representative. If the Union Co-Chairman or his designee is not at work, he shall be granted access to the **14.18**

plant at all reasonable times for the purpose of conducting the legitimate business of the committee after notice to the head of the department to be visited or his designated representative.

**3.** When the Company introduces new personal protective apparel or extends the use of protective apparel to new areas or issues new rules relating to the use of protective apparel, the matter will be discussed with the members of the Safety and Health Committee in advance with the objective of increasing cooperation. Should differences result from such discussions, a grievance may be filed in the Third Step by the Chairman of the Grievance Committee within 30 days thereafter. In the event that the grievance progresses through the grievance procedure to arbitration, the Board of Arbitration shall determine whether such rule or requirement is appropriate to achieve the objective set forth in Subsection A. **14.19**

**4.** Advices of the Safety and Health Committee, together with supporting suggestions, recommendations and reasons, shall be submitted to the Works Manager for his consideration and for such action as he may consider consistent with the Company's responsibility to provide for the safety and health of its employees during the hours of their employment and the mutual objective set forth in Subsection A. **14.20**

**5.** In the event the Company requires an employee to testify at the formal investigation into the causes of a disabling injury or death, the employee may arrange to have the Union Co-Chairman of the Safety and Health Committee or the Union member of such Committee designated by the Union Co-Chairman to act in his absence present as an observer at the proceedings for the period of time required to take the employee's testimony. The Union Co-Chairman **14.21**

will be furnished with a copy of such record as is made of the employee's testimony. In addition, in the case of accidents which resulted in disabling injury or death or accidents which could have resulted in disabling injury or death and require a fact-finding investigation, the Company will, as soon as practicable after such accident, notify the Union Co-Chairman of the Safety and Health Committee or the Union member of such Committee designated by the Union Co-Chairman to act in his absence who shall have the right to visit the scene of the accident promptly upon such notification, if he so desires, accompanied by the Company Co-Chairman or his designated representative and the Company will add the Union Co-Chairman of the Safety and Health Committee, or the Union member of such Committee designated by the Union Co-Chairman to act in his absence, to the notification list for such accidents. After making its investigation the Company will supply to the Union Co-Chairman of the Safety and Health Committee, a statement of the nature of the injury, the circumstances of the accident, and any recommendations available at that time. In such cases, when requested by the Union Co-Chairman, the Company Co-Chairman of the Safety and Health Committee, or his designated representative, will review the statement with the Union Co-Chairman. Also, in such cases, the Company Co-Chairman of the Safety and Health Committee, or his designated representative, when requested by the Union Co-Chairman, will visit the scene of the accident with the Union Co-Chairman or, in his absence, his designated substitute.

**6.** The Company will, from a single source at the Company headquarters level, provide the International Health, Safety and Environment **14.22**

Department with prompt notification of any accident resulting in a fatality to a union member. This notification shall be either oral or written and include the date of the fatality, the plant or unit location of the fatality and, if known, the cause of the fatality. The Company will provide the International Health, Safety and Environment Department with a copy of the fatal accident report that is given to the local union safety and health committee when such report becomes available. Any necessary discussion or other communication on this data between the Company and the International Union will be with the individual designated to provide such information.

**7.** Once each year the Company will, from the same source described in 6 above, provide to the International Union Safety and Health Department the OSHA Form 200 Summary of Occupational Injuries and Illnesses or its equivalent and the lost workday case and fatality incident rates for each plant covered by this Agreement. Upon request and for specific locations where detailed information is necessary, the Company will, from the same source, provide a copy of the OSHA Form 200 Log of Occupational Injuries and Illnesses or its equivalent. **14.23**

**8. Joint Company Level Committee on Safety and Health**

The International Union and the Company shall each designate three representatives to a joint Company level committee on safety and health which shall meet at least annually to review the operation of this Section with a view to achieving maximum understanding as to how the Company and the Union can most effectively cooperate in achieving the objective set forth in Subsection A. **14.24**

**9.** If in the event of special circumstances the Director of the International Health, Safety and Environment Department or a member of his staff desires access to a plant, such access may be approved on a case-by-case basis through the office of the General Manager-Employee Relations and Industrial Engineering. The General Manager-Employee Relations and Industrial Engineering or his designee shall accompany the Union representative. **14.25**

**10.** It is agreed that the Union's Safety and Health Committee act hereunder exclusively in an advisory capacity and that the International Union, Local Unions, Union Safety Committees and its officers, employees and agents shall not be liable for any work-connected injuries, disabilities or diseases which may be incurred by employees. **14.26**

**F. Disciplinary Records**

Written records of disciplinary action against the employee involved for the violation of a safety rule but not involving a penalty of time off will not be used by the Company in any arbitration proceeding where such action occurred one or more years prior to the date of the event which is the subject of such arbitration. **14.27**

When an employee has completed 36 consecutive months of work without discipline involving a penalty of time off for violation of a safety rule, prior disciplinary penalties for such offenses not exceeding 4 days suspension shall not be used for further disciplinary action. **14.27.1**

When a written safety observation report is made involving a violation of a safety procedure or rule by an employee which does not involve discipline, a copy of that report will be given to the employee. **14.27.2**

**G. Alcoholism and Drug Abuse**

Alcoholism and drug abuse are recognized by the parties to be treatable conditions. Without detracting from the existing rights and obligations of the parties recognized in the other provisions of this Agreement, the Company and the Union agree to cooperate at the plant level in encouraging employees afflicted with alcoholism or drug abuse to undergo a coordinated program directed to the objective of their rehabilitation. **14.28**

**H. Safety and Health Training**

**1. General**

The Company recognizes the special need to provide appropriate safety and health training to all employees. The Company presently has safety and health training that provides either the training described below or the basis for such training as it relates to the needs of the Company and its various plants. **14.29**

Training programs shall recognize that there are different needs for safety and health training for newly hired employees, employees who are transferred or assigned to a new job and employees who require periodic retraining. The safety and health committee may make recommendations on these and other safety education matters. **14.30**

***2. Training of Newly Hired Employees***

Newly hired employees shall receive training in the general recognition of safety and health hazards, their statutory and basic labor contract rights and obligations and the purpose and function of the Company's Safety, Health and Medical Departments, the joint safety and health committee and the International Health, Safety and Environment Department. In addition, upon initial assignment to a job, such employees shall receive training on the nature of the operation or **14.31**

process, the safety and health hazards of the job, the safe working procedures, the purpose, use and limitations of personal protective equipment required, and other controls or precautions associated with the job.

The Union Co-Chairman of the safety and health committee and the International Health, Safety and Environment Department or a designee shall, upon request, be afforded the opportunity to review the training program for newly hired employees at the plant level. 14.32

**3. Training of other Employees**

The training of employees other than those newly hired by the Company shall be directed to the hazards of the job or jobs on which they are required to work. Such training shall include hazard recognition, safe working procedures, purpose, use and limitations of special personal protective equipment required and any other appropriate specialized instruction. 14.33

**4. Retraining**

As required by an employee's job and assignment area, periodic retraining shall be given on safe working procedures, hazard recognition, and other necessary procedures and precautions. 14.34

**I. Medical Records**

The Company shall maintain the confidentiality of reports of medical examinations of its employees and shall only furnish such reports to a physician designated by the employee upon the written authorization of the employee; provided, that the Company may use or supply medical examination reports of its employees in response to subpoenas, requests to the Company by any Governmental agency authorized by law to obtain such reports, and in arbitration or litigation of any claim or action involving the Company. 14.35

Whenever the Company physician detects a medical condition which, in his judgment, requires further medical attention, the Company physician shall advise the employee of such condition or to consult with his personal physician.

## SECTION XV – SERVICE WITH THE ARMED FORCES

### A. Reemployment Rights

Each employee other than a temporary employee, who leaves or who has left Company employment to enter the service of the Armed Forces of the United States and who returns to Company employment with statutory reemployment rights, shall be reemployed on a basis no less favorable than that provided by applicable statute at the time of his reemployment. The continuous service record of such reemployed employee shall not have been broken by his absence in such service. **15.1**

### B. Training

Reasonable programs of training shall be employed in the event employees do not qualify to perform the work on the job which they might have attained except for absence in the service of the Armed Forces of the United States. **15.2**

### C. Special Leave of Absence

Any employee so applying for reemployment shall be granted upon request a leave of absence without pay not to exceed sixty (60) days before he shall be required to return to work. **15.3**

### D. Educational Leave of Absence

Any employee entitled to reemployment under this Section who applies for reemployment and who desires to pursue a course of study in accordance with a Federal law granting him such opportunity, before or after returning to his employment with the Company, shall be granted **15.4**

a leave of absence for such purpose; provided that an employee who desires such a leave of absence after returning to his employment with the Company shall have it granted only if he notifies the Company in writing, within one year from the date he is reemployed, of his intention to pursue such a course of study. Such leave of absence shall not constitute a break in the record of continuous service of such employee but shall be included therein provided the employee reports promptly for reemployment after the completion or termination of such course of study. Any such employee must notify the Company and the Union in writing at least once each year of his continued interest to resume active employment with the Company upon completing or terminating such course of study.

**E. Disabled Returning Veterans**

Any employee entitled to reemployment under this Section who returns with service connected disability incurred during the course of his service shall be assigned to any vacancy which shall be suitable to such impaired condition during the continuance of such disability; provided, however that such impairment is of such a nature as to render the veteran's returning to his own job or department onerous or impossible; and provided further that the veteran meets the minimum physical requirements for the job available or for the job as Management may be able to adjust it to meet the veteran's impairment. **15.5**

**F. Special Vacation Provisions**

If an employee who would otherwise have been entitled to a vacation with pay, or in lieu thereof to vacation allowance under the provisions of this Agreement, during the calendar year in which he shall enter upon active duty in the Armed Forces of the United States, before he **15.6**

shall have taken such vacation, or before he shall have accepted vacation allowance in lieu of vacation, he shall be paid an amount equal to the vacation pay which he would have been entitled to receive for the period of such vacation.

15.7 An employee who, after being honorably discharged from the Armed Forces of the United States shall be entitled to a vacation with pay, or in lieu thereof, to vacation allowance in and for the calendar year in which he applies for reinstatement in accordance with the provisions of this Agreement, without regard to any requirement other than an adequate record of continuous service; provided, however, that no employee shall be accorded more than one vacation allowance for any one calendar year.

**G. Military Encampment Allowance**

15.8 An employee with one or more years of continuous service who is required to attend an encampment of the Reserve of the Armed Forces or the National Guard shall be paid, for a period not to exceed two weeks in any calendar year, the difference between the amount paid by the Government (not including travel, subsistence and quarters allowance) and the amount calculated by the Company in accordance with the following formula. Such pay shall be based on the number of days such employee would have worked had he not been attending such encampment during such two weeks (plus any holiday in such two weeks which he would not have worked) and the pay for each such day shall be eight (8) times his average straight-time hourly rate of earnings (including applicable incentive earnings but excluding shift differentials and Sunday and overtime premiums) during the last payroll period worked prior to the encampment. If the period of such encampment exceeds two

weeks in any calendar year, the period on which such pay shall be based shall be the first two weeks he would have worked during such period.

## SECTION XVI – SEVERANCE ALLOWANCE

### A. Conditions of Allowance

When, in the sole judgement of the Company, it decides to close permanently a plant or discontinue permanently a department of a plant or substantial portion thereof and terminate the employment of individuals, an employee whose employment is terminated either directly or indirectly as a result thereof because he was not entitled to other employment with the Company under the provisions of Section XIII-Seniority of this Agreement and Paragraph B-2 below, shall be entitled to a severance allowance in accordance with and subject to the following provisions. **16.1**

Before the Company shall finally decide to close permanently a plant or discontinue permanently a department of a plant or substantial portion thereof, it shall give the Union, when practicable, advance written notification of its intention. Such notification shall be given at least 90 days prior to the proposed closure date. Along with it, the Company shall provide the Union with a detailed statement of the reasons for the proposed action and the information on which it is based. Without limiting the information to be provided under this paragraph, the Company shall furnish the Union, where available, and on a confidential basis, profit and loss statements for the operations that are the subject of the proposed action for the last 24 months of operations preceding it, any studies or evaluations assessing the feasibility of continuing the operations, and a detailed breakdown of the costs of maintaining **16.2**

the operations. Thereafter, the Company will meet with appropriate Union representatives in order to provide them with an opportunity to discuss the Company's proposed course of action and to provide information to the Company and suggest alternative courses. Upon conclusion of such meetings, which in no event shall be less than 30 days prior to the proposed closure or partial closure date, the Company shall advise the Union of its final decision. The final closure decision shall be the exclusive function of the Company. This notification provision shall not be interpreted to offset the Company's right to lay off or in any other way reduce or increase the working force in accordance with its presently existing rights as set forth in Section III of this Agreement.

**B. Eligibility**

Such an employee to be eligible for a severance allowance shall have accumulated 3 or more years of continuous Company service as computed in accordance with Section XIII–Seniority of this Agreement. **16.3**

1. In lieu of severance allowance, the Company may offer an eligible employee a job, in the same job class for which he is qualified, in the same general locality. The employee shall have the option of either accepting such new employment or requesting his severance allowance. If an employee accepts such other employment, his continuous service record shall be deemed to have commenced as of the date of the transfer, except that for the purposes of severance pay under this Section and for purposes of Section XII-Vacations, his previous continuous service record shall be maintained, and not be deemed to have been broken by the transfer. **16.4**

2. As an exception to Paragraph 1 above an employee otherwise eligible for severance pay **16.5**

who is entitled under Section XIII-Seniority to a job in the same job class in another part of the same plant shall not be entitled to severance pay whether he accepts or rejects the transfer. If such transfer results directly in the permanent displacement of some other employee, the latter shall be eligible for severance pay provided he otherwise qualifies under the terms of this Section.

**C. Scale of Allowance**

An eligible individual shall receive severance allowance based upon the following weeks for the corresponding continuous Company service: **16.6**

| Continuous Company Service | Weeks of Severance Allowance |
|---|---|
| 3 years but less than 5 years | 4 |
| 5 years but less than 7 years | 6 |
| 7 years but less than 10 years | 7 |
| 10 years or more | 8 |

**D. Calculation of Allowance**

A week's severance allowance shall be determined in accordance with the provisions for calculation of vacation allowance as set forth in Subsection F of Section XII-Vacations. **16.7**

**E. Non-Duplication of Allowance**

Severance allowance shall not be duplicated for the same severance, or same continuous service, whether the other obligation arises by reason of contract, law or otherwise. If an individual is or shall become entitled to any discharge, liquidation, severance or dismissal allowance or payment of similar kind by reason of any law of the United States of America or any of the states, districts or territories thereof subject to its jurisdiction, the total amount of such payments shall be deducted from the severance allowance to which the individual may be entitled under this **16.8**

Section, or any payment made by the Company under this Section may be offset against such payments. Statutory unemployment compensation payments shall be excluded from the nonduplication provisions of this paragraph.

**F. Election Concerning Layoff Status**

Notwithstanding any other provisions of this Agreement, an employee who would otherwise have been terminated in accordance with the applicable provisions of this Agreement and under the circumstances specified in Subsection XVI-A may at such time elect to be placed upon layoff status for 30 days or to continue on layoff status for an additional 30 days it he had already been on layoff status. At the end of such 30-day period he may elect to continue on layoff status or to be terminated and receive severance allowance if he is eligible to any such allowance under the provisions of this Section XVI; provided, however, if he elects to continue on layoff status after the 30-day period specified above, and is unable to secure employment with the Company within an additional 60-day period, at the conclusion of such additional 60-day period he may elect to be terminated and receive severance allowance if he is eligible for such allowance. Any Supplemental Unemployment Benefit payment received by him for any period after the beginning of such 30-day period shall be deducted from any such severance allowance to which he would have been otherwise eligible at the beginning of such 30-day period. **16.9**

If an employee elects to continue on layoff status, he shall continue to be in such status notwithstanding the expiration or termination of this Agreement. **16.9.1**

In the event of a strike, nothing in this Agreement shall be interpreted as extending the **16.9.2**

benefits beyond the term otherwise provided for in the Basic Labor Agreement.

**G. Payment of Allowance**

Payment shall be made in a lump sum at the time of termination. Acceptance Of severance allowance shall terminate employment and continuous service for all purposes under this *Agreement.* **16.10**

**H. Retiree Benefits Offset**

Notwithstanding any other provision of this Agreement, any severance allowance payable to an employee who is eligible for an immediate unreduced pension shall be reduced by (a) the present value of the incremental pension benefits as defined below; and (b) the value of retiree health benefits as determined in accordance with the provisions of the Age Discrimination in Employment Act of 1967, as amended. As used *in the preceding sentence, "the present value of* the incremental pension benefits" shall be understood to mean the present value of the difference between (a) the total amount of pension payable to such employee prior to age 62; and (b) the portion of such pension not attributable to the occurrence of the contingent event of permanent closure. The interest rates used to determine present value shall be the PBGC rates for single life annuities in effect for the month in which severance allowance would otherwise be paid. **16.11**

## SECTION XVII – SUCCESSORSHIP

The Company agrees that it will not sell, convoy, assign or otherwise transfer any plant or significant part thereof covered by a Labor Agreement between the Company and the *United Steelworkers of America that has not* been permanently shutdown for at least 8 months to any other party (Buyer) who intends to **17.1**

continue to operate the business as the Company had, unless the following conditions have been satisfied prior to the closing date of the sale:

**(a)** The Buyer shall have entered into an Agreement with the Union recognizing it as the bargaining representative for the employees within the existing bargaining units, **17.2**

**(b)** The Buyer shall have entered into an Agreement with the Union establishing the terms and conditions of employment to be effective as of the closing date, **17.3**

**(c)** If requested by the Company, the Union will enter into negotiations with the Company on the subject of releasing and discharging the Company from any obligations, responsibilities and liabilities to the Union and the employees, except as the parties otherwise mutually agree. **17.4**

This provision is not intended to apply to any transactions solely between the Company and any of its subsidiaries or affiliates, or its parent company including any of its subsidiaries or affiliates; nor is it intended to apply to transactions involving the sale of stock, except if a plant or significant part thereof, which is covered by the Labor Agreement, is sold to a third party pursuant to a transaction involving the sale of stock of a subsidiary. **17.5**

"Permanently shut down for at least 8 months" shall mean that the notification requirements, time periods, and obligations of Subsection XVI-A, have been satisfied and that for at least 8 months following the expiration of the notification periods provided for in Subsection XVI-A, (1) no part of the operation in question has operated other than to perform maintenance tasks associated with mothballing the operations, (2) no improvements have been made and (3) the **17.6**

Company has acknowledged entitlements to and is processing and/or paying, as appropriate, shut-down benefits in accordance with the Labor Agreement and applicable benefit agreements.

## SECTION XVIII – SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

### A. Description of Plan

The Supplemental Unemployment Benefit Plan effective **August 1, 1999**, (the Plan) is contained in a booklet entitled "**1999** Supplemental Unemployment Benefit Plan," a copy of which will be provided each employee. Such booklet constitutes a part of this Section as though incorporated herein. **18.1**

### B. Coverage

**1.** The Plan shall, for the period specified in the termination provisions of this Agreement, be applicable to the employees, together with other employees represented by the Union. **18.2**

**2.** The Plan, without change, may be applicable to such other groups of employees of the Company who are entitled to overtime compensation on the basis of law, contract or custom as were covered on **July 31, 1999**, by the Prior Plan (the Supplemental Unemployment Benefit Plan in effect prior to **August 1, 1999**) and to any other such group, and under such conditions, as the Company and the Union may agree. Any modification of the Plan necessitated by the requirements of federal or state law shall also apply to such other groups to which it is applicable. **18.3**

**3.** There shall be one trust fund under the Plan applicable to all employees covered by the Plan, and any determinations under the Plan will be based on the experience with respect to everyone covered thereby. **18.4**

### C. Reports to the Union

The Company will provide the Union with information on the forms agreed to by the parties and at the times indicated thereon, and such additional information as will reasonably be required for the purpose of enabling the Union to be properly informed concerning operations of the Plan. **18.5**

## SECTION XIX
## SUB AND INSURANCE GRIEVANCES

The following procedure shall apply only to disputes concerning the Supplemental Unemployment Benefit Plan (SUB) and the Insurance Agreement, including the Program of Insurance Benefits (PIB), but it shall not apply to a claim for life insurance. **19.1**

If any difference shall arise between the Company and any employee as to the benefits payable to him **19.2**

**a.** pursuant to the SUB, or

**b.** pursuant to the Insurance Agreement (including PIB) because his claim was denied in whole or in part, or between the Company and the Union as to the interpretation or application of or compliance with the provisions of the SUB, and such difference is not resolved by discussion with a representative of the Company at the location where it arises, it shall, if presented in writing under the following provisions, become a SUB grievance or an insurance grievance (in either case hereinafter referred to as grievance) and it shall be disposed of in the manner described below:

**1.** A grievance must, in order to be considered, be presented in writing within 30 days after the action giving rise to such difference on a form to be furnished by the Company which shall be **19.3**

dated and signed by the employee involved and the representative designated by the local Union to handle such grievances and presented to a local representative of the Company designated to receive and handle such grievances. The grievance shall be discussed by such representatives within 10 days after it has been presented to the representative of the Company. The representative of the Company shall note in the appropriate place on the form his disposition of the grievance, his reasons therefor and the date thereof and shall return two copies of the form to the local representative of the Union within 10 days after the date on which it was last discussed by them unless he and the local representative of the Union agree otherwise. Minutes of any discussion between the Union and the Company shall be prepared and signed by the local representative of the Company within 10 days after the discussion is held and shall be signed by the representative of the local Union. If the representative of the local Union shall disagree with the accuracy of the minutes as prepared by the Company, he shall set forth and sign his reasons for such disagreement and the minutes, except for such disagreement, shall be regarded as agreed to. Unless the grievance is appealed as set forth below within 10 days after the date of delivery of the minutes to the representative of the local Union, it shall be deemed to have been settled and no appeal therefrom shall thereafter be taken. Notwithstanding the first sentence of this paragraph, (a) a grievance relating to Short Week Benefits under the SUB must be presented within 30 days after the date of the Short Week Benefit draft if the dispute relates to the amount of the benefit or within 60 days from the end of the week in question if the dispute relates

to eligibility for the benefit, and (b) a grievance relating to the Insurance Agreement (including PIB) must be presented within 30 days after the earliest date on which the grievant knew or reasonably should have known of the action on which it is based.

**2.** In order for a grievance to be considered further, written notice of appeal shall be served, within 10 days after receipt of the minutes described above, by the representative of the District Director of the Union, certified to the Company in writing, upon the representative of the Company, similarly certified to the Union by the Company. Such notice shall state the subject matter of the grievance, the identifying number and objections taken to the previous disposition. A grievance which has been so appealed shall be discussed within 30 days of such notice by such representatives, in an effort to dispose of the grievance. Minutes of the discussion, which shall include a statement of the disposition of the grievance by the representative of the Company, his reasons therefor and the date thereof, shall be prepared and signed by him and delivered to the representative of the Union within 10 days after the discussion is held. The representative of the Union shall sign such minutes and shall deliver a copy to the representative of the Company and in the event he shall disagree with the accuracy of the minutes as prepared by the Company, he shall set forth and sign his reasons for such disagreement and the minutes, except for such disagreement, shall be regarded as agreed to. If an appeal from the action taken with regard to the grievance in accordance with the foregoing procedure is not made in the manner set forth below, the grievance shall be deemed to have been settled in accordance with such action and **19.4**

no appeal therefrom shall thereafter be taken.

**3.** If the procedure described in paragraphs 1 and 2 above has been followed with respect to a grievance and it has not been Settled, it may be appealed by the District Director, or his representative, to arbitration by written notice served simultaneously on the Board and the certified representative of the Company described in paragraph 2 above within 20 days after the date of delivery of the minutes to the representative of the Union. **19.5**

**4.** The decision of the Board on any grievance which has properly been referred to it shall be final and binding upon the Company, the Union and all employees involved in the grievance. **19.6**

## SECTION XX – PRIOR AGREEMENTS

Effective **August 1, 1999**, the terms and conditions established by this Agreement replace those established by the Agreement of **June 1, 1994**, except as otherwise expressly provided for in this Agreement. **20.1**

With the exception of the agreements entered into concurrently herewith, the August 1, 1971 Job Description and Classification Manual, the Memorandum of Understanding dated September 25, 1951, as amended and reinstated concurrently herewith, and the Supplemental Incentive Memorandum dated August 4, 1956, as amended and reinstated concurrently herewith, and the Repair and Maintenance Implementing Agreement dated as of December 1, 1956, as amended, this Agreement shall supersede all existing and prior agreements. All local rules, regulations and customs heretofore established in conflict with this Agreement are hereby abolished, but prior practice and custom not in con- **20.2**

flict with this Agreement may be continued.

20.3 No complaints or grievances which arose prior to the date of this **1999** Agreement shall be taken up for adjustment except those grievances which as of the date of this **1999** Agreement have been appealed in writing from a decision in the steps of the grievance procedure defined in the Agreement of **June 1, 1994**, or are in the process of being adjusted. Such grievances shall be considered under the procedures of Section VI of this **1999** Agreement and shall be determined in accordance with the applicable provisions of this **1999** Agreement.

## SECTION XXI – TERM OF AGREEMENT

21.0 The effective date of the Agreement shall be **August 1, 1999**, except as otherwise expressly provided.

21.1 Except as otherwise provided below, this Agreement shall terminate at the expiration of 60 days after either party shall give written notice of termination to the other party, but in any event shall not terminate earlier than August 1, **2004**.

21.2 If either party gives such notice, it may include therein notice of its desire to negotiate with respect to insurance, pensions, and supplemental unemployment benefits (existing provisions or agreements as to Insurance, Pensions, and Supplemental Unemployment Benefits to the contrary notwithstanding), and the parties shall meet within 30 days thereafter to negotiate with respect to such matters. If the parties shall not agree with respect to such matters by the end of 60 days after the giving of such notice, either party may thereafter resort to strike or lockout, as the case may be, in support of its position in respect to such matters, as well as any other matter in dispute (the existing agreements or pro-

visions with respect to Insurance, Pensions, and Supplemental Unemployment Benefits to the contrary notwithstanding).

**21.3** Notwithstanding any other provisions of this Agreement, or the termination of any or all other portions hereof, the Supplemental Unemployment Benefit Plan shall remain in effect until expiration of 120 days after written notice of termination served by either party on the other party on or after September 3, **2004**.

**21.4** Any notice to be given under this Agreement shall be given by registered mail; be completed by and at the time of mailing; and, if by the Company, be addressed to the United Steelworkers of America, Five Gateway Center, Pittsburgh, Pennsylvania 15222, and, if by the Union, to the Company at **200 Public Square**, Cleveland, Ohio **44114**. Either party may, by like written notice, change the address to which registered mail notice to it shall be given.

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ZAKOWSKI
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IAW
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LTV Steel Company, Inc./
LTV Steel Tubular
Products Company

A. C. TREMAIN
Vice President
Industrial Relations
N. P. VERNON, JR.
General Manager
Employee Relations
& Industrial
Engineering

*MANAGEMENT*
*NEGOTIATING*
*COMMITTEE:*

R.H. LLOYD
General Manager
Compensation &
Benefits
J. C. MANG, III
General Manager
Cleveland Works
J. T. DELMORE
Controller –
Financial
Accounting
J. M. GRIFFIN
Sr. Director –
Industrial
Engineering
J. E. JOHNSTON
Area Manager –
Industrial
Engineering &
Corporate
Objectives
Administration

United Steelworkers of America, AFL-CIO

DENNIS BRUBAKER
*Representative*
TERRY KISER
President, LU 185
STEVE ESTVANIC
President, LU 188
DENNIS HENRY
President, LU 1011
RICHARD DOWDELL
Unit Chairman, LU 1011-02
GARY GAJ
President, LU 1098
DENNIS KINGZETT
President, LU 1157
DENNIS MORLEY
President, LU 1179
WILLIAM RAINS
President, LU 1211
FRED GENTILE
President, LU 1331
WILLIAM PREJSNAR
Unit Chairman, LU 1375
VINCE MACKEWICZ
President, LU 1843
JOE LINDENMUTH
President, LU 2265
LEN FRANGELIA
Unit Chairman, LU 1179-01
RICK ZIMMER
President, LU 7367

LTV Steel Company, Inc./ LTV Steel Tubular *Products Company*

MICHAEL C. KIDDER
*Manager* – Industrial Relations Cleveland Works
T. F. WOOD
Manager – Labor Relations & Industrial Engineering Indiana Harbor Works
F. B. COMERY
Director – Arbitration
CARL G. BERGER
Director – Labor Agreement Administration
R. C. WAIWOOD
*Manager* – Labor Relations Tubular
J. E. CARROLL
Director – Safety & Environmental Health
C. A. GEARHART
Manager – Insurance Benefit Planning
GEOFFREY C. VAUGHAN
Manager – Benefits Administration
PETE LODGE
Area Manager – Pension Administration

United Steelworkers of America, AFL-CIO

LTV Steel Company, Inc./ LTV Steel Tubular Products Company

KEN NEMEC
Area Manager – Insurance Administration

J. E. WOZNIAK
Area Manager – Industrial Relations Indiana Harbor Works

D. E. MCGILL
Manager – Labor Relations Cleveland Works

T. R. SMITH
Area Manager – Labor Relations & Safety Services Hennepin Works

K. M. MAGNESS
Manager – Industrial Relations Aliquippa Works/ Warren Coke Plant

KARL W. HECKMAN
Assistant General Counsel

THOMAS J. HARLAN
Area Manager – Benefits Accounting

P. J. PETRI
Employee Relations

R. J. SEMPR
Industrial Relations

G. M. RINEBOLT
Employee Benefits

# APPENDIX A

## TABLE A

## STANDARD HOURLY WAGE RATES FOR NON-INCENTIVE JOBS

| JOB CLASS | EFFECTIVE 8/1/99 | EFFECTIVE 2/1/00 | EFFECTIVE 8/1/01 | EFFECTIVE 2/1/03 |
|---|---|---|---|---|
| 1-2 | $13.242 | $13.742 | $14.242 | $15.242 |
| 3 | 13.437 | 13.937 | 14.437 | 15.437 |
| 4 | 13.632 | 14.132 | 14.632 | 15.632 |
| 5 | 13.827 | 14.327 | 14.827 | 15.827 |
| 6 | 14.022 | 14.522 | 15.022 | 16.022 |
| 7 | 14.217 | 14.717 | 15.217 | 16.217 |
| 8 | 14.412 | 14.912 | 15.412 | 16.412 |
| 9 | 14.607 | 15.107 | 15.607 | 16.607 |
| 10 | 14.802 | 15.302 | 15.802 | 16.802 |
| 11 | 14.997 | 15.497 | 15.997 | 16.997 |
| 12 | 15.192 | 15.692 | 16.192 | 17.192 |
| 13 | 15.387 | 15.887 | 16.387 | 17.387 |
| 14 | 15.582 | 16.082 | 16.582 | 17.582 |
| 15 | 15.777 | 16.277 | 16.777 | 17.777 |
| 16 | 15.972 | 16.472 | 16.972 | 17.972 |
| 17 | 16.167 | 16.667 | 17.167 | 18.167 |
| 18 | 16.362 | 16.862 | 17.362 | 18.362 |
| 19 | 16.557 | 17.057 | 17.557 | 18.557 |
| 20 | 16.752 | 17.252 | 17.752 | 18.752 |
| 21 | 16.947 | 17.447 | 17.947 | 18.947 |
| 22 | 17.142 | 17.642 | 18.142 | 19.142 |
| 23 | 17.337 | 17.837 | 18.337 | 19.337 |
| 24 | 17.532 | 18.032 | 18.532 | 19.532 |
| 25 | 17.727 | 18.227 | 18.727 | 19.727 |
| 26 | 17.922 | 18.422 | 18.922 | 19.922 |
| 27 | 18.117 | 18.617 | 19.117 | 20.117 |
| 28 | 18.312 | 18.812 | 19.312 | 20.312 |
| 29 | 18.507 | 19.007 | 19.507 | 20.507 |
| 30 | 18.702 | 19.202 | 19.702 | 20.702 |
| 31 | 18.897 | 19.397 | 19.897 | 20.897 |
| 32 | 19.092 | 19.592 | 20.092 | 21.092 |
| 33 | 19.287 | 19.787 | 20.287 | 21.287 |
| 34 | 19.482 | 19.982 | 20.482 | 21.482 |

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# APPENDIX A

## TABLE A-1

## INCENTIVE CALCULATION RATES AND HOURLY ADDITIVES FOR INCENTIVE JOBS

| JOB CLASS | EFFECTIVE 8/1/99 ICR | EFFECTIVE 8/1/99 HOURLY ADDITIVE | EFFECTIVE 2/1/00 ICR | EFFECTIVE 2/1/00 HOURLY ADDITIVE |
|---|---|---|---|---|
| 1-2 | $4.672 | $8.570 | $4.672 | $9.070 |
| 3 | 4.808 | 8.529 | 4.808 | 9.129 |
| 4 | 4.944 | 8.688 | 4.944 | 9.188 |
| 5 | 5.080 | 8.747 | 5.080 | 9.247 |
| 6 | 5.216 | 8.806 | 5.216 | 9.306 |
| 7 | 5.352 | 8.865 | 5.352 | 9.365 |
| 8 | 5.488 | 8.924 | 5.488 | 9.424 |
| 9 | 5.624 | 8.983 | 5.624 | 9.483 |
| 10 | 5.760 | 9.042 | 5.760 | 9.542 |
| 11 | 5.896 | 9.101 | 5.896 | 9.601 |
| 12 | 6.032 | 9.160 | 6.032 | 9.660 |
| 13 | 6.168 | 9.219 | 6.168 | 9.719 |
| 14 | 6.304 | 9.278 | 6.304 | 9.778 |
| 15 | 6.440 | 9.337 | 6.440 | 9.837 |
| 16 | 6.576 | 9.396 | 6.576 | 9.896 |
| 17 | 6.712 | 9.455 | 6.712 | 9.956 |
| 18 | 6.848 | 9.514 | 6.848 | 10.014 |
| 19 | 6.984 | 9.573 | 6.984 | 10.073 |
| 20 | 7.120 | 9.632 | 7.120 | 10.132 |
| 21 | 7.256 | 9.691 | 7.256 | 10.191 |
| 22 | 7.392 | 9.750 | 7.392 | 10.250 |
| 23 | 7.528 | 9.809 | 7.528 | 10.309 |
| 24 | 7.664 | 9.868 | 7.664 | 10.368 |
| 25 | 7.800 | 9.927 | 7.800 | 10.427 |
| 26 | 7.936 | 9.986 | 7.936 | 10.486 |
| 27 | 8.072 | 10.045 | 8.072 | 10.545 |
| 28 | 8.208 | 10.104 | 8.208 | 10.604 |
| 29 | 8.344 | 10.163 | 8.344 | 10.663 |
| 30 | 8.480 | 10.222 | 8.480 | 10.722 |
| 31 | 8.616 | 10.281 | 8.616 | 10.781 |
| 32 | 8.752 | 10.340 | 8.752 | 10.840 |
| 33 | 8.888 | 10.399 | 8.888 | 10.899 |
| 34 | 9.024 | 10.458 | 9.024 | 10.958 |

# APPENDIX A

## TABLE A-1 (continued)

## INCENTIVE CALCULATION RATES AND HOURLY ADDITIVES FOR INCENTIVE JOBS

| JOB CLASS | EFFECTIVE 8/1/01 ICR | EFFECTIVE 8/1/01 HOURLY ADDITIVE | EFFECTIVE 2/1/03 ICR | EFFECTIVE 2/1/03 HOURLY ADDITIVE |
|---|---|---|---|---|
| 1-2 | $4.922 | $9.320 | $4.922 | $10.320 |
| 3 | 5.058 | 9.379 | 5.058 | 10.379 |
| 4 | 5.194 | 9.438 | 5.194 | 10.438 |
| 5 | 5.330 | 9.497 | 5.330 | 10.497 |
| 6 | 5.466 | 9.556 | 5.466 | 10.556 |
| 7 | 5.602 | 9.615 | 5.602 | 10.615 |
| 8 | 5.738 | 9.674 | 5.738 | 10.674 |
| 9 | 5.874 | 9.733 | 5.874 | 10.733 |
| 10 | 6.010 | 9.792 | 6.010 | 10.792 |
| 11 | 6.146 | 9.851 | 6.146 | 10.851 |
| 12 | 6.282 | 9.910 | 6.282 | 10.910 |
| 13 | 6.418 | 9.969 | 6.418 | 10.969 |
| 14 | 6.554 | 10.028 | 6.554 | 11.028 |
| 15 | 6.690 | 10.087 | 6.690 | 11.087 |
| 16 | 6.826 | 10.146 | 6.826 | 11.146 |
| 17 | 6.962 | 10.205 | 6.962 | 11.205 |
| 18 | 7.098 | 10.264 | 7.098 | 11.264 |
| 19 | 7.234 | 10.323 | 7.234 | 11.323 |
| 20 | 7.370 | 10.382 | 7.370 | 11.382 |
| 21 | 7.506 | 10.441 | 7.506 | 11.441 |
| 22 | 7.642 | 10.500 | 7.642 | 11.500 |
| 23 | 7.778 | 10.559 | 7.778 | 11.559 |
| 24 | 7.914 | 10.618 | 7.914 | 11.618 |
| 25 | 8.050 | 10.677 | 8.050 | 11.677 |
| 26 | 8.186 | 10.736 | 8.186 | 11.736 |
| 27 | 8.322 | 10.795 | 8.322 | 11.795 |
| 28 | 8.458 | 10.854 | 8.458 | 11.854 |
| 29 | 8.594 | 10.913 | 8.594 | 11.913 |
| 30 | 8.730 | 10.972 | 8.730 | 11.972 |
| 31 | 8.866 | 11.031 | 8.866 | 12.031 |
| 32 | 9.002 | 11.090 | 9.002 | 12.090 |
| 33 | 9.138 | 11.149 | 9.138 | 12.149 |
| 34 | 9.274 | 11.208 | 9.274 | 12.208 |

# APPENDIX B

## (Applicable only to Aliquippa, and former J&L facility of Cleveland Works)

1. Notwithstanding any provisions of the **August 1, 1999** Labor Agreement or any prior Labor Agreement, after Management has given the written notice referred to in Paragraph C of Section I of the Repair and Maintenance Implementing Agreement dated as of December 1, 1956, as amended, all progression from helper jobs as defined in such Paragraph C to the trade or craft jobs listed in Section IX-B of the **August 1, 1999** Labor Agreement, shall be accomplished in accordance with the said Paragraph C. **AB1**

2. Rate progression practices and customs, grievance settlements and local agreements, written or oral, with respect to trade or craft and assigned maintenance jobs which are inconsistent with the provisions of the **August 1, 1999** Labor Agreement or any prior Labor Agreement, and the Repair and Maintenance Implementing Agreement dated as of December 1, 1956, as amended, are hereby terminated as of December 1, 1956. **AB2**

3. No complaint or grievance shall be presented or processed with respect to the provisions of the Repair and Maintenance Implementing Agreement dated as of December 1, 1956, *as amended, except as follows:* **AB3**

An employee may, but not later than sixty days after Management has given the written notice referred to in Paragraph C of Section I of the Repair and Maintenance Implementing Agreement, as amended, present a complaint under the grievance and arbitration procedure alleging that he is a regularly assigned incumbent of a helper job in the designated seniority **AB4**

unit for the trade or craft job specified in such *written notice.*

4. Notwithstanding any provisions of the **August 1, 1999** Labor Agreement or any prior Labor Agreement, the changes to existing incentive plans contained in Exhibit 2 of Section V of the *Repair and Maintenance Implementing* Agreement dated as of December 1, 1956, as amended, have been made and put into effect as of the dates shown in that Exhibit for such plans without the agreement of the local grievance committee and plant Management, and no complaints or grievances shall be presented or processed on account of such changes having been made or put into effect. **AB5**

5. The following revisions are required to be made to the Repair and Maintenance Implementing Agreement, as amended April 6, 1962 and, as revised hereby, that Agreement shall be continued in effect pursuant to Section XX of the **August 1, 1999** Labor Agreement at the Aliquippa, and former **J&L facility** of Cleveland Works. **AB6**

**A.** In the second sub-paragraph of Paragraph B *of Section I substitute the date* "**August 1, 1999**" for the date "**June 1, 1994.**"

**B.** In the fifth sub-paragraph of Paragraph C of Section I substitute the date "**August 1, 1999**" for the date "**June 1, 1994.**"

**C.** *In the second sub-paragraph of Paragraph* B of Section II substitute the date "**August 1, 1999**" for the date "**June 1, 1994.**"

**D.** In Section VI substitute the date "**August 1, 1999**" for the date "**June 1, 1994.**"

## MEMORANDUM OF UNDERSTANDING

### (Applicable only to Aliquippa, Hennepin and former J&L facility of Cleveland Works)

The Memorandum of Understanding dated September 25, 1951, as amended, between Jones & Laughlin Steel Corporation and the United Steelworkers of America, providing for the basic features of the Equipment Utilization Type Incentive Plan is hereby reinstated and amended as follows: **M1**

Memorandum of Understanding between Jones & Laughlin Steel Corporation and the United Steelworkers of America dated September 25, 1951, as amended, Outlining the Basic Features of the Company's Equipment Utilization Type Incentive Plan. **M2**

The basic features of Equipment Utilization Type Incentive Plans are as follows:

**1.** Equipment Utilization will be used in determining incentive earnings opportunity. The term "Full Equipment Utilization" is understood to mean "Practical Production Capacity" and does not mean getting that production from the equipment which would be theoretically possible, if the equipment ran continuously and without interruptions, delays, etc. Workload will not be a restrictive factor in determining incentive earnings opportunity as related to Equipment Utilization. "Practical Production Capacity" (Equipment Performance of 100 percent) is that production attained when the full complement of producing equipment as listed in the applicable incentive brochure is operating, according to standard practice as set forth in the "Equipment and Standard Practice" Section of the incentive brochure, for the applicable incentive period (turn, day, pay period, etc.). **M3**

Management will provide, where justified, a reasonable level of incentive opportunity during those conditions resulting when Management, because of business conditions or major equipment repairs or lack of power extending over a considerable period of time, does not schedule for operations the full complement of Producing Equipment as listed in the applicable incentive brochure. Any such reasonable level of incentive will be lessened commensurate with the restriction that the above stated conditions imposes. **M4**

For "Equipment Performance of 100 percent," employees covered by an incentive plan will earn the hereinafter stated percentage above their standard hourly wage rate as set forth in Appendix A, **Table A-1** (hereinafter referred to as the "Standard Hourly Wage Rate") for worked time covered by incentive standards. For Equipment Performance other than 100%, the resulting earned hours will be in direct proportion to that which occurs at 100%. The percentage above Standard Hourly Wage Rate for various levels of performance other than 100% will be as illustrated in Item 8 below. No incentive opportunity exists for worked time not covered by incentive standards. **M5**

2. Incentive Earnings Opportunity

**a.** Direct Production Workers-The incentives will be so designed as to enable those whose influence on productivity is in the form of direct contribution to each unit produced to average 35% above the Standard Hourly Wage Rate for attainment of full equipment utilization. It should be pointed out that the 35% is not an earning limit; the word average is used with the idea that in order to be able to average 35% it must be possible to exceed 35%. Some crews and individuals will frequently and even regularly **M6**

exceed 35%. Furthermore, incentives will be so designed as to enable the 35% to be earned for effective utilization of the full eight (8) hours of a turn rather than being able to earn 35% for only those hours that the machine is running.

**b.** Indirect Workers–It is the intent of the Company to encourage productivity by providing incentive opportunity to indirect workers where in the judgment of Management such workers can make a significant contribution to the attainment of full equipment utilization. In such cases the percentage over Standard Hourly Wage Rate will be 50% of the percentage earned by the related Direct Production Workers. It has been traditionally recognized that certain occupations such as assigned maintenance men do not directly participate in each unit of production and do not continuously contribute directly toward getting full productivity as do the individuals who are actually operating the equipment. Therefore, a lower incentive opportunity should apply for such indirect workers. The above applies to indirect workers who are placed on incentive by reason of making a significant contribution to the expected productivity. **M7**

Wherever practical, incentives for indirect workers will be expressed in terms of those production units which are used for direct workers. **M8**

**3.** The Standard Hourly Wage Rate shall serve as the base rate for incentives. **M9**

**4.** The straight piecework type of plan will be used wherever possible. **M10**

The straight piecework type of plan is one which is based on a constant amount for each unit of production of a given size or type of product. (Some may associate the straight piecework plan with so many cents per piece, but the expression can also be associated with so many **M11**

hours per piece as provided in Item 6 below. Whether the expression is in dollars or standard hours per piece, the exact same pay will result.)

5. All employees working on a producing unit under the same incentive plan shall receive the same percentage of their Standard Hourly Wage Rate except as the incentive plan differentiates between Direct Production and Indirect Workers. **M12**

Clarification of this item was given under items 1 and 2 above. **M13**

6. The incentive standards will, wherever practical, be expressed in Standard Hours (i.e. earned hours to be paid for at the Standard Hourly Wage Rate). **M14**

An example is: If 1.0 hour per piece is the Standard and 12 pieces were produced in an eight hour turn, 12 hours would be earned. The extra 4 hours paid for would mean 50% incentive earnings for the turn. **M15**

7. It is understood that the Company will continue to use pace-rating and the application of proper allowances for rest and personal needs for such portions of an operating cycle which may be man-controlled rather than machine controlled. The present practice of excluding certain "Down Time," "Delay Time," or "Stand By Time" from the incentive plan shall be continued. It is the main purpose of pace-rating to protect the workers, as far as humanly possible, against the incentive being based on an exceptionally fast worker and to protect the Company against an incentive being based on a slow worker. The phrase "Proper Allowances" means an appropriate allowance for the conditions of the given job and each case will be weighed on its own. **M16**

8. The point at which piecework earnings equal guarantee (Standard Hourly Wage Rate) is known as the "make-out" point. The "make-out" **M17**

point will occur at 74% of full equipment utilization.

The 74% is a matter of simple arithmetic which can be checked in either of the following ways: **M18**

100/135 = .74 x 100% = 74% or 100-74 = 26

or

26/74 = .35 x 100% = 35%

The following table will illustrate what incentive will be paid for various levels of equipment utilization: **M19**

| % Equipment Utilization | Pay as Percentage of the Standard Hourly Wage Rate |
|---|---|
| 74% & Under (Makeout Point) | 100% |
| 80% | 108* |
| 90% | 122* |
| 100% | 135 |
| 110% | 149* |
| etc. | etc. |

*Rounded off to nearest whole percent.

**9. Make-Up Allowances**

When, in the case of replacing an incentive plan under Section IX, Subsection C-2- b, Management establishes an hourly amount pursuant to the provisions of Section IX, Subsection C-4, such hourly amount will be termed "Make-Up Allowance," will be developed on an occupational basis, and will become part of the incentive plan. **M20**

On any job for which a "Make-Up Allowance" is established, any present or future incumbent will be entitled to like treatment in the application of the "Make-Up Allowance." **M20.1**

The employee will receive such "Make-Up Allowance" for each hour worked on incentive in addition to his piecework earnings. As piecework earnings drop below the "make-out" point, total **M21**

earnings (piecework plus make-up) will decrease. When the total decreases to or below the Standard Hourly Wage Rate, only the Standard Hourly Wage Rate will be paid.

"Make-Up Allowances" will be expressed in terms of dollars and will not be subject to increase or decrease except by specific negotiations by the parties. **M22**

**10. New Incentive Required by Section IX-C-2b**

After following the procedures in IX-C-3- a & b and should agreement not be reached, the proposed new incentive may be installed by Management and the employees affected shall give the incentive application a fair trial. The Local Union Incentive Committee may at any time after 90 days, but within 180 days following installation, file a grievance in the Third Step of the grievance and arbitration procedure. **M23**

Such grievance shall include a statement of the points of difference and shall be confined to the allegation that the new incentive does not provide incentive earnings opportunity, when working on incentive, in accordance with Item 2. If any such grievance be submitted to the arbitration procedure, the Board shall decide the question of incentive earnings opportunity in accordance with Item 2. In the determination of whether an incentive plan provides incentive opportunity in accordance with Item 2, "Make-up Allowance," as provided in Item 9 shall be excluded. The decision of the Board shall be effective as of the date when the new incentive was put into effect. **M24**

**11.** An employee on a job which has been classified by Management for indirect participation under a new Equipment Utilization Type Incentive Plan, may present a complaint to the **M25**

Local Union Incentive Committee alleging that the job requirements of his job meet the standards set forth in Item 2 for a direct production worker. Management shall, at the request of the Local Union Incentive Committee, furnish such explanation with regard to the incentive classification of the job as shall reasonably be required in order to enable the Local Union Incentive Committee and such employees to understand how such incentive classification was determined. If the Local Union Incentive Committee does not agree with the incentive classification, it may at any time within sixty (60) days following installation of such new Equipment Utilization Type Incentive Plan, file a grievance in the Third Step of the grievance and arbitration procedure alleging that the job should have been classified as a direct production job in accordance with the standards of Item 2, Paragraph a. If the grievance be appealed to arbitration, the Board shall determine whether the job requirements of the job meet the standards set forth in Item 2, Paragraph a. for direct production worker.

Such determination shall be made without **M26** regard to the job requirements or incentive classification of any other job excepting such other ob(s) in his specific Incentive Plan. If the Board decides that the job should have been classified as a direct production job, its decision shall be effective as of the date of such improper classification.

This Memorandum of Understanding, as **M27** herein amended, shall continue to be effective for the term of the **August 1, 1999** Agreement at the Aliquippa, Hennepin **and former J&L facility of Cleveland** Works.

The Supplemental Incentive Memorandum dated August 4, 1956, is hereby reinstated and

amended as follows:

Supplemental Incentive Memorandum
between Jones & Laughlin Steel
Corporation and the United Steelworkers
of America dated August 4, 1956
(Applicable only to Aliquippa, Hennepin **and former J&L facility of Cleveland** Works)

**A.** The Equipment Utilization type of incentive plan will continue to be applicable as heretofore in major producing or processing units except the Blast Furnace Departments and the By Product Coke Departments. **SM1**

**B.** Incentive plans for those jobs to be covered, at the Company's discretion, in the Blast Furnace Departments and in the By Product Coke Departments, will provide, when effectively working on incentive: **SM2**

**(1)** An average incentive earnings opportunity of 25%* of the Standard Hourly Wage Rate as set forth in Appendix A, Table A for operating jobs on which employees work directly and continuously on producing equipment. **SM3**

**(2)** An average incentive earnings opportunity of 50% of the incentive earnings opportunity provided for in sub-paragraph (1) above for jobs on which employees do not work directly and continuously on producing equipment, such as assigned maintenance and service jobs. **SM4**

**C.** For jobs in maintenance shops and maintenance and service jobs in units which are not to be covered by any of the above-mentioned types of plans set forth in the above two paragraphs, the Company, at its discretion, may install Non-Equipment Utilization types of incentive plans which provide, for jobs of that type, equitable incentive earnings opportunity when effectively working on incentive. **SM5**

**D.** New Incentive Required by Section IX-C-

2b.

After following the procedures in Section IX-C-3-a & b *and should agreement not be reached,* the proposed new incentive may be installed by Management and the employees affected shall give the incentive application a fair trial. The Local Union Incentive Committee may at any time after 90 days, but within 180 days following installation, file a grievance in the Third Step of the grievance and arbitration procedure. **SM6**

Such grievance shall include a statement of the points of difference and shall be confined to the allegation that the new incentive does not provide (1) incentive earnings opportunity, when effectively working on incentive in accordance with *Paragraph B-(1) for plans developed under* said Paragraph B-(1) and in accordance with *Paragraph B-(2) for plans developed under said* Paragraph B-(2), or (2) equitable incentive earnings opportunity, when effectively working on incentive, in accordance with Paragraph C for incentives developed under said Paragraph C. If any such grievance be submitted to the arbitration procedure the Board shall decide the question of incentive earnings opportunity or equitable incentive earnings opportunity, as the case be in accordance with Paragraphs B-(1), (2) or C, whichever is appropriate. The decision of the Board shall be effective as of the date when the new incentive was put into effect. **SM7**

This Supplemental Incentive Memorandum shall continue to be effective for the term of the **August 1, 1999** *Agreement at the Aliquippa,* Hennepin **and former J&L facility of Cleveland** Works.* **SM8**

* It should be pointed out that the 25% is not an earning limit; the word average is used with the idea that in order to be able to average 25% it

must be possible to exceed 25%.

## APPENDIX C

## MEMORANDUM OF UNDERSTANDINGS ON MISCELLANEOUS MATTERS

1. The understandings reflected in the prior Supplemental Agreement concerning so-called portal-to-portal claims are readopted for the term of the new basic labor agreement. **AC1**

2. The proposals made by each party with respect to changes in the basic labor agreements and the discussions had with respect thereto shall not be used, or referred to, in any way during or in connection with the arbitration of any grievance arising under the provisions of the basic labor agreements. **AC2**

3. Any understanding contained in a letter agreed to in connection with prior contracts, concerning the readoption of provisions relating to local working conditions, shall continue in effect. **AC3**

4. In response to the Union's request for more prompt information at the plant level regarding additions to work forces in the various bargaining units, the Company will adopt the following procedure: Monthly lists of new hires and transfers into the bargaining unit will be made available upon request at the plant level to the Financial Secretary of each Local Union. If the number of additions is sufficient to justify reporting on a more frequent basis, an effort will be made to do so. It should be understood that in the interest of prompt reporting these lists will be preliminary and, accordingly, subject to verification by the regular monthly Union membership and checkoff list which will be transmitted in accordance with existing procedures. **AC4**

5. During the term of this Agreement, **AC5**

employees whose wages have been garnished will not be disciplined because of such garnishments.

**6.** No employee shall be required by the Company to submit to a lie detector test. **AC6**

**7.** Effective in October, 1986, the Company will forward to the International Union, as a part of the monthly dues checkoff information, a list of the names, addresses, ages, dates of hire and social security numbers of all employees on checkoff. **AC7**

**8. Memorandum of Understanding On Job Classification**

The parties agree that the Job Classification Program for hourly rated production and maintenance jobs and the Job Description and Classification Manual (currently the August 1, 1971 Job Description and Classification Manual and hereinafter called the "Manual") provide an effective system of hourly compensation for bargaining unit production and maintenance employees. **AC8**

In order to insure the continued effectiveness of the Manual in the face of the changing economic and market conditions now facing the Company and to accommodate the new technologies and environmental factors which are being introduced into the plants, the parties agree to create a Special Job Classification Committee. This Committee's initial assignments will be the following:

**1.** Within 120 days of the effective date of he successor labor agreements, to develop additional Master Job Classifications to reflect:

**a)** Combination jobs which reflect both operating and assigned maintenance job requirements.

**b)** Combination jobs which reflect both

operating and service job requirements.

**2.** To conduct a comprehensive review of the Basic Factors and Instructions for their Application incorporated in Section V of the Manual. This review is to be completed within 18 months of the effective date of the successor labor agreements. This review shall include recommendations to the Co-Chairmen of the LTV Steel Negotiating Committee for mutually desirable modifications to the Manual to reflect changed work place conditions and technology including work methods or procedures, products, equipment, manufacturing processes or methods, materials processed, and statistical process and quality control. In conducting this review and making its recommendations, the parties recognize that resultant modifications shall be applicable solely to the classifications of new or changed jobs.

The Committee shall consist of the Director of the International Union's Wage Department and two (2) International Union Headquarters representatives designated by the Union's Co-Chairman of the LTV Steel Negotiating Committee and the Company's General Manager-Employee Relations and Industrial Engineering and two (2) Headquarters representatives of the Company designated by the Company's Co-Chairman.

**9.** For employees with more than two (2) weeks of vacation entitlement, Plant Management and the Local Union may mutually agree upon a system that would permit such employees to designate one (1) week of vacation entitlement to be taken in single days. **AC9**

**Effective January 1, 2000, for those employees who are eligible to designate one (1) week of vacation entitlement to be taken in** **AC10**

**ingle days, single days of vacation will be aid in the pay for the pay period in which the acation day(s) were taken. For each single ay of vacation, the employee will receive ne-fifth (1/5th) of his calculated weekly vacaion rate.**

## APPENDIX D

## MEMORANDUM OF UNDERSTANDING ON CONTRACTING OUT MATTERS

The following understandings have been agreed to regarding contracting out matters: **AD1**

I. **Letter Agreement Regarding Employee Hours of Pay Guarantee** **AD2**

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

This will confirm our understanding that, for the term of the **August 1, 1999** Basic Labor Agreement, a trade and craft employee in a steel producing operation* or an iron ore operation working on a trade and craft job as defined in the CWS Manual shall be guaranteed 40 hours of pay per week at his SHWR so long as there are craft employees of contractors working in the plant on the same trade and craft functions and duties which would otherwise be performed by the employees for whom the guarantee is provided. This guarantee shall apply only to those trade and craft plant employees who receive less than 40 hours of pay in a week or who are on layoff

*As set forth in the 1969 Incentive Arbitration Award

and would otherwise perform the work so long as they are available for work.

The 40-hour guarantee provided by the preceding paragraph shall be extended to trade and craft helpers and to employees occupying maintenance non-craft jobs in Job Class 6 and above who would otherwise have been assigned to work with the trade and craft employees for those hours to which the 40-hour guarantee is applicable under the preceding paragraph.

An employee to whom the foregoing guarantee is applicable may be assigned to perform work in his craft or in the case of other employees to a job in the same job class or higher than the job to which the guarantee is applied at any location throughout the plant irrespective of seniority unit rules or practices. An employee who elects not to accept such an assignment shall not be eligible for the guarantees provided herein.

The number of employees protected by this guarantee shall not exceed the lesser of the number of contractor employees of similar skill and job content or, alternately, exceed the number of plant trade or craft employees and eligible maintenance non-craft employees who are working less than 40 hours plus the number who are on layoff. The recipients and distribution shall be determined by the local parties. Such guarantee shall not be applicable with respect to outside contractors' employees working in the plant on new construction, including major installation, major replacement and major reconstruction of equipment and productive facilities.

Any practice or local working condition requiring Management to retrieve work which has been contracted out shall be waived for the duration of this Agreement.

Notwithstanding the foregoing, nothing in this

guarantee shall prevent Management from retrieving contracted out work.

Yours very truly,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

**II. Letter Agreement on Work, I.E., "As Is, Where Is"** **AD3**

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

This will confirm our understanding that an "As Is, Where Is" sale of assets is a legitimate commercial transaction that is a business decision not designed to deprive bargaining unit employees of work assignments.

If such sale of assets involves the use of a vendor or contractor to perform a service (i.e., scrap preparation) and such assets are returned or the Company's use or sale as part of the transaction, such transaction shall be considered as contracting out and subject to the provisions of Section II-C of this Agreement.

Yours very truly,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

## APPENDIX E

## MEMORANDUM OF UNDERSTANDING ON INCENTIVE MATTERS

I. Incentive Arbitration Award

The Memorandum of Understanding Concerning the Incentive Arbitration Award, dated August 18, 1969, shall be continued in effect for the duration of this Agreement. Such Memorandum and the Award are set forth below: **AE1**

### MEMORANDUM OF UNDERSTANDING CONCERNING INCENTIVE ARBITRATION AWARD

The Eleven Coordinating Committee Steel Companies and the United Steelworkers of America hereby agree as follows: **AE2**

1. The August 1, 1969 Incentive Arbitration Award of the Arbitration Panel relating to issues arising under Appendix J of the July 30, 1968 Settlement Agreement, hereinafter referred to as the "Award," is hereby made an appendix to each Basic Agreement covering "Steel Producing Operations" as heretofore agreed to by the parties or as determined in such Arbitration Panel's separate award, also dated August 1, 1969, relating to this specific determination. Such appendix shall be applicable only to "Steel Producing Operations," as above defined, and shall be separately printed. **AE3**

**2.** The Eleven Company–Union Joint Incentive Committee is continued. **AE4**

**3.** In administering the provisions of Parts A-4-c and A-4-d of the Award, there shall be one oint incentive committee for each plant and one oint incentive committee for each Company. The size and composition of such committees shall be determined by the Co-Chairman of the individual Company negotiating Committees, and *the Company level Committee shall be chaired* by them. The Company-level committee shall have the authority to resolve all disputes concerning coverage under the Award at any plant of such Company. In the event that such joint company committee is unable to resolve any dispute or disputes, either the Company or Union Chairman of such joint committee may refer such unresolved dispute or disputes arising within that Company to arbitration in accordance with Part A-4-e. Unless the parties otherwise agree, the arbitrator shall be the permanent arbitrator for that Company or, in the absence of a permanent arbitrator, a single arbitrator selected for that purpose. Solely for the purpose of information, reports as to coverage and disputes will be furnished to the Eleven Company-Union Joint Incentive Study Committee. **AE5**

**4.** Each of the eleven Companies and the Union preserve all provisions of their current Basic Agreements. However, to the extent any such provision conflicts with a specific provision of the Award or this Memorandum of Understanding, the Award or this Memorandum shall supersede such provision in such respect. **AE6**

**5.** The Eleven Company-Union Joint Incentive Study Committee will meet on or about February 1, 1970, to discuss procedures regarding the implementation of Part D of the Award. **AE7**

6. The 10¢ per hour in the manner provided for in Appendix J of the July 30, 1968 Settlement Agreement will apply to hours worked on a non-incentive job that became newly covered by an *incentive installed after August 1, 1968, which* incentive is an existing incentive on August 1, 1969, for the period from August 1, 1968, until the date such incentive was applied to such job. AE8

Dated: August 18, 1969

| United Steelworkers of America | Coordinating Committee Steel Companies |
|---|---|
| "(Signatures)" | "(Signatures)" |

## AWARD OF ARBITRATION PANEL

### August 1,1969
### *Introduction*

The following Award is issued by the undersigned members of an Arbitration Panel selected by agreement of the above parties to resolve disputes arising under Appendix J of the July 30, 1968 settlement agreement between the above *parties. Appendix J, as incorporated in the July* 30, 1968 settlement agreement, reads: AE9

"Establish a joint incentive group composed of 3 Union representatives and 3 representatives of the Companies to study the wage incentive situation in the production and maintenance units of the Companies' steel-producing operations, such study to be completed by August 1, 1969 and to develop and recommend to the parties guides with respect to: AE10

"a. Types of jobs: (1) properly subject to coverage by direct measurement incentives, indirect incentives, other incentives; and (2) not properly subject to incentive coverage. AE11

"b. The definition of equitable incentive AE12

earning opportunities.

"c. The adjustment of incentive standards from time to time so that such standards are properly maintained. **AE13**

"d. Procedures to be employed after August 1, 1969 for application of guides recommended with respect to paragraphs a, b, and c, above to the then existing incentive situation in each company. Such procedures shall include the requirement that incentive earnings shall be adjusted to conform to such guides. **AE14**

"When a determination has been made by the joint incentive study group or by the Arbitration Panel referred to below that an incentive is to be applied to a job not theretofore on incentive each employee who has worked on such job in 2 or more pay periods between August 1, 1968 and the date when such job is covered by incentive shall be paid 10 cents for each hour which he has worked on such job commencing August 1, 1968 and continuing until an incentive has been applied to the job. **AE15**

"Any dispute arising under a, b, c, or d above which the joint incentive study group is unable to resolve shall be submitted for arbitration to a panel of three arbitrators to be selected before October 1, 1968 by agreement of the Companies and the Union." **AE16**

The Joint Incentive Study Group established under Appendix J was unable to develop recommended guides with respect to any of the matters described in the four lettered paragraphs of Appendix J. Accordingly, all issues under Appendix J were submitted to the undersigned Panel of Arbitrators for arbitration in accordance with the last paragraph of Appendix J. A hearing was hold in Washington, D.C., commencing June 16 and running through June 28, 1969 and **AE17**

resulted in a voluminous record.

In view of the parties' urgent desire that the Arbitration Panel submit its Award as close to August 1, 1969 as possible, the Panel has not prepared an opinion setting forth in detail the considerations which led to formulation of the various Guides. Some explanatory material appears, however, at appropriate points in the Guides set forth below. **AE18**

## GENERAL DEFINITIONS

For purposes of this Award, the following definitions apply: **AE19**

1. Companies–the word "Companies" means all of the 11 Companies involved in these proceedings for all of the covered plants. **AE20**

2. Company–the word "Company" means any one of the 11 Companies. **AE21**

3. Plant–the word "plant" means each plant covered by Appendix J as agreed by the parties or as decided by this Arbitration Panel. **AE22**

4. Union–the word "Union" means the International Union. **AE23**

5. Equitable Incentive Earning Opportunity–"Equitable Incentive Earnings Opportunity" is expressed as a percentage above the applicable Incentive Calculation Rate. **AE24**

6. Incentive Calculation Rate–"Incentive Calculation Rate" is the applicable contractual hourly wage rate used for purposes of calculating incentive earnings on incentive jobs. **AE25**

7. Standard Hourly Wage Rate–"Standard Hourly Wage Rate" is the applicable contractual standard hourly wage rate for non-incentive jobs. **AE26**

8. Job–The term "job" means a job at a particular plant location which has been described and classified in accordance with the applicable job description and classification manual; except **AE27**

that in any plant, division, department, or operating unit, where such a job is treated as two or more separate jobs for the purposes of scheduling, work assignment or seniority application, the term "job" shall mean each such separate job.

## A. GUIDES FOR TYPES OF JOBS PROPERLY SUBJECT TO INCENTIVE COVERAGE AND PROCEDURES FOR APPLICATION

### 1. Preface

The following definitions of the various categories of incentives are developed with no thought that they can be applied readily within any of the 11 Companies under their differing incentive programs. The terms "direct" and "indirect" now have different meanings in certain of the Companies. Only one Company up to this time appears to have used the designation of *"other" incentives and there is nothing in the evidence* to suggest how the designation has been applied. If uniformity of definition is to be obtained ultimately, it will require extensive negotiation and possibly some machinery for impartial determination. **AE28**

### 2. Definitions

#### a. Direct Incentive Jobs

Direct Incentive jobs include those jobs which, either alone or as a part of a crew (1) directly and substantially affect or control the rate of output or *substantially affect the attainment of full utilization* of equipment, and (2) where the output or the effect on output can be measured economically and with reasonable accuracy. **AE29**

#### b. Indirect Incentive Jobs

Indirect Incentive jobs include those jobs which, either alone or as a part of a crew (1) significantly but not as directly and substantially affect the rate of output or the attainment of full **AE30**

utilization of equipment, and (2) where the output or the effect on output can be measured economically and with reasonable accuracy, or an incentive for the job can be related realistically to one or more direct incentive applications.

**c. Secondary Indirect ("Other") Incentive Jobs**

Secondary indirect incentive jobs are those jobs which, either alone or as a part of a crew, do not qualify for direct or indirect incentives, as defined above, but where opportunity normally exists to make an appreciable and demonstrable contribution to production or to efficiency above non-incentive performance. Also, there should be some reasonably practical and economical basis for measuring the incentive contribution to production, or it should be possible to relate the incentive contribution to one or more direct or indirect incentive applications. **AE31**

**d. No Incentive**

A job does not qualify for incentive (1) if there is no realistic opportunity to make an appreciable contribution to production or to efficiency by performance above non-incentive performance or, (2) if the costs to the Company of installation and adequate administration of an incentive are excessive in relation to the cost benefits that should be achieved by an incentive. **AE32**

**3. Supplementary Criteria for Applying Guides for Determining Coverage**

**a. Past Practice Considerations**

The existence at some plant or plants of an incentive on a particular job or operation is not, in itself, a compelling reason for coverage of a comparable job or operation elsewhere. **AE33**

However, if it has been or is demonstrated that a particular comparable job or operation is now covered very substantially by incentives, this **AE34**

may be cogent evidence for coverage, giving due weight to all relevant conditions affecting the propriety of incentive coverage, including the status of the Company and its plants with respect to the Guides for minimum coverage set forth below.

**b. Minimum Coverage**

For administrative convenience and for use solely in the initial implementation of this decision as to coverage, the following criteria are provided as to the coverage which should result from application of these guides: **AE35**

(1) Total employee incentive coverage at any Company as a Company-wide average-not less than 85%. **AE36**

(2) Total employee incentive coverage at one plant employing at least 100 employees in the bargaining unit-not less than 65%. **AE37**

These minimum coverage Guides do not reflect the application of any given set of industrial engineering principles, but rather are based solely on the evidence in this record as to the extent of incentive coverage, and the various types of jobs covered, in the Companies' steel producing plants. They are not intended for application in other collective bargaining relationships where the relevant facts may be different. **AE38**

For purposes of computing the percentages in A-3-b-(1) and (2) above, the basis shall be jobs and employees on those jobs as of August 1, 1969. **AE39**

Use of these criteria as to extent of coverage has no bearing on distribution of covered jobs among the three categories of incentives (direct, indirect or secondary indirect). **AE40**

**c. Existing Job Coverage**

It may be that some jobs covered by incentives as of August 1, 1969 would not qualify for incentive coverage under the Guides set forth in **AE41**

A-2 above. At the present time, however, as the parties have not yet had experience with practical application of the Guides, it would seem premature to provide for uncoverage of such jobs and no such provision is made in this Award.

**4. Procedures for Coverage**

**a. Company Proposal**

Each Company shall develop and submit to the Union on or before November 1, 1969 detailed lists showing, on a plant-by-plant basis: **AE42**

**(1)** All presently uncovered jobs it proposes to cover by new incentives.

**(2)** All presently uncovered jobs it does not propose to cover by new incentives.

**(3)** A summary analysis of the net effect of (1) and (2) above together with existing incentive coverage, showing proposed resultant percentage employee coverage:

**(a)** Company-wide

**(b)** For each plant

This initial Company proposal need not specify the category of incentive (direct, indirect, or secondary indirect) that will be developed. **AE43**

**b. Union Response**

Not later than 60 days after receipt of a Company proposal, the Union shall accept it as submitted or submit a detailed and realistic counter-proposal, showing the specific disagreements as to coverage on a job-by-job basis. Failure of the Union to reply to the Company proposal within the time limit specified shall be construed as acceptance of the Company proposal, provided that the Company has given the Union 10 days' written notice that it intends to hold the Union to this time limit. **AE44**

**c. Negotiations**

Immediately after any Union counter-proposal, the parties shall negotiate to resolve all dis- **AE45**

agreements as to coverage. Such negotiations shall be on a plant-by-plant or Company-wide basis, or both, as the parties shall determine.

**d. Review by Companies and Union**

If a dispute as to coverage should persist after adequate negotiation under A-4-c above, it shall be reviewed by the Joint Incentive Study Group or some agreed substitute therefor in an attempt to resolve the dispute prior to arbitration. Such review should include determination of priorities and procedures for any coverage disputes that may go to arbitration. **AE46**

**e. Arbitration**

Any coverage dispute submitted to arbitration should not include issues as to categories of incentive (direct, indirect or secondary indirect) to be installed, unless otherwise agreed. Any case submitted to arbitration should encompass final resolution of coverage issues on a Company-wide basis. **AE47**

**f. Payment of $.10 Retroactive Pay**

**(1)** As soon as possible after completion of A-4-b above (Union response to Company proposal) at any plant covered by that response, the Company shall pay the $.10 per hour retroactive pay to all employees entitled to it for all jobs where agreement exists that the jobs will be covered by new incentives. The amount of $.10 per hour shall be paid thereafter on each such job until incentives have been made effective. **AE48**

**(2)** As soon as coverage of any disputed job has been resolved by agreement or by decision, the $.10 per hour payments shall be made on such job in the same manner as provided in A-4-f-(1) above. **AE49**

**5. Development and Installation of Incentives on Newly Covered Jobs**

a. As soon as a Company has made its **AE50**

coverage proposal to the Union under A-4-a(1) above, and earlier where possible, a Company should begin the necessary work prior to installing required new incentives. Such work on uncontested jobs need not wait on final agreement or decision on disputed coverage at any plant.

**b.** The Company should discuss with the local Union priorities as to new incentive installations, but in case of disagreement, the Company's order of development and installation of new incentives will prevail. **AE51**

**c.** The new incentives should be installed in accordance with applicable contractual procedures and shall conform to the Guides provided in B below. **AE52**

**d.** The interim payment of $.10 per hour shall be terminated upon installation of a new incentive. **AE53**

**e. Timetable**

Installation of all new required incentives shall be accomplished at the earliest practicable date. **AE54**

If a Company makes good faith efforts to pursue and complete the job as promptly as possible, payment of $.10 per hour for the interim period prior to installation should be adequate. But if in any given case it is found that the new incentive was not installed at the earliest practicable date, the new incentive shall be made retroactive to the earliest practicable date on which the incentive reasonably could have been installed. **AE55**

**f. Grievance Procedure and Arbitration**

Any unresolved disputes arising under A-4-f and A-5 of this Award shall be subject to the grievance and arbitration procedures of the appli- **AE56**

cable contract unless the parties should agree to some other procedure for this purpose.

## B. GUIDES FOR DEFINITION OF EQUITABLE INCENTIVE EARNING OPPORTUNITIES AND PROCEDURES FOR APPLICATION

### 1. Preface

This section deals with: (a) determination of Guides for Equitable Incentive Earning Opportunities and (b) procedures for application of these Guides to new incentives installed after August 1, 1969 as a result of the new coverage section of this Award (A above). **AE57**

### 2. Determination of Equitable Incentive Earning Opportunities

#### a. Guides for Equitable Incentive Earning Opportunities

The preface to the coverage section of the Award (A-1 above) noted the existing diversity of definitions of incentive categories. **AE58**

There now are an even greater variety of definitions and practices relating to earning opportunities. The two dominant systems (work performance and equipment utilization) approach the determination of earning opportunity differently and the Companies that use each system apply it in different ways. Moreover, there are incentive applications within some Companies that do not conform to its dominant system. **AE59**

It is not the intent of this Award to require any Company to abandon its existing incentive system. Such systems need to be changed, if at all, only insofar as is necessary to effectuate the provisions of this Award. **AE60**

The following Guides relate only to jobs in the incentive categories as defined in A-2 above: **AE61**

**(1)** An incentive on a Direct Incentive **AE62**

Job shall be designed to provide earning opportunities 35% above the Incentive Calculation Rate.

**(2)** An incentive on an Indirect Incentive Job shall be designed to provide earning opportunities equivalent to 67% of the earning opportunities provided by the Direct Incentive Job or Jobs to which it is related. In the case of Indirect Incentive Jobs which are not related to Direct Incentive Jobs, the incentive shall be designed to provide earning opportunities 23% above the Incentive Calculation Rate. **AE63**

**(3)** An incentive on a Secondary Indirect Incentive Job shall be designated to provide earning opportunities 33% of the earning opportunities of the Direct Incentive Job or Jobs to which it contributes or 50% of the earning opportunities of the Indirect Incentive Job or Jobs to which it contributes. In the case of Secondary Indirect Incentive Jobs which do not contribute to the performance of any Direct or Indirect Incentive Jobs, the incentive shall provide earning opportunities 12% above the Incentive Calculation Rate. **AE64**

The above percentage figures are not statements of the actual percentage earnings an incentive must produce consistently to be equitable. They relate not to average earnings but to earnings opportunity. They assume full employee response to the incentive earnings opportunity provided under any given incentive. In addition, due weight must be given to the fact that in actual experience earnings under a properly designed incentive may vary from the applicable Equitable Incentive Earning Opportunities for a variety of reasons, including but not limited to: (a) relative skill, experience and coordination of the crew, (b) relative operating levels and equipment **AE65**

fficiency, (c) changes in product mix, and (d) easonal and other variations in operating condi-ons. Further, in weighing the equity of any given ncentive, weight may properly be given to an nherent and acceptable minus or plus lack of recision in designing incentives and to reason-ble and acceptable variations inherent in the articular incentive system.

Because of the multiplicity of reasons for vari- **AE66**
ation of actual incentive earnings from the appli-cable Equitable Incentive Earning Opportunities, compliance with Equitable Incentive Earning Opportunities can best be tested on a case-by-case basis, giving due weight to all relevant con-siderations.

**3. Application of Equitable Incentive Earning Opportunity Guides to New Coverage Incentives Installed After August 1, 1969**

**a.** As noted in A-5-c above, new coverage **AE67**
incentives to be installed after August 1, 1969 shall be governed by the Guides of B-2 above, save that in some instances it may be more rea-sonable to incorporate a job within an existing incentive application. For example, if a job in a crew has been excluded from coverage applica-ble to other jobs in the crew and it is necessary to apply coverage to that job, it may be more rea-sonable to include that job under the existing crew incentive.

**4. Arbitration**

Grievances involving interpretation or **AE68**
application of the Guides under B of this Award shall be considered under the grievance and arbitration provisions of the applicable agree-ment.

## C. GUIDES FOR INCENTIVE ADMINISTRATION

### 1. Preface

The Guides in this Section are intended only to supplement and not to supplant existing contractual provisions governing incentive administration. Paragraphs C-2 and C-3 below accordingly apply only to the administration of new incentives installed under the Guides in A and B. It will be necessary to apply these Guides for administration of such new incentives only where an existing agreement does not provide equivalent benefits and protections. **AE69**

### 2. Minor Changed Conditions Affecting Existing Incentives

Where (a) significant new work or repetitive unmeasured work of a non-experimental nature is performed by employees working under an incentive or (b) a change in relevant conditions occurs which affects the validity of the standards to a minor extent, appropriate additional or modified standards shall be established at the earliest practicable date and made effective as of the date of first occurrence of such minor changed condition. Such new standards shall be designed to preserve the earning opportunity provided under the incentive over a representative period prior to the inception of the changed condition or conditions. **AE70**

### 3. Major Changed Conditions Affecting Existing Incentives

**a.** Where changes occur which are of such magnitude as to render the standards under an existing incentive irrelevant to the new conditions, or substantially inapplicable, the existing incentive should be cancelled and a new incentive, to replace the existing incentive, developed and installed at the earliest practicable date. **AE71**

**b.** During the interim period between cancellation of the old standards and installation of the new, all employees affected shall receive an interim differential, or interim rate, to protect them from earnings loss, calculated by reference to a representative period immediately preceding cancellation of the old standards. **AE72**

**c.** When an incentive is replaced, the average incentive earnings for a job covered under the replacement, expressed as a percentage of the Incentive Calculation Rate, shall be equivalent to the percentage of incentive earnings received as an average by regularly assigned incumbents of that job under the replaced incentive during a representative period immediately preceding its cancellation, provided that the average performance during such representative period is maintained. As to any job which did not exist under the replaced incentive, the average percentage calculated for jobs which did exist shall apply under the same conditions. **AE73**

**4. Installation of New Equipment or Operations Supplementing Existing Equipment or Operations**

**a.** Where new equipment is installed, or new operations commenced, which are supplementary to the facilities or equipment covered by incentives at a given plant, new incentives shall be developed at the earliest practicable date. The new standards shall be designed to provide appropriate Equitable Incentive Earning Opportunities as set forth under B above and shall become effective when installed, but in no event more than 12 months after the new operation is commenced. **AE74**

**5. Commencement of Entirely New Operations at a Plant**

**a.** Where entirely new operations are initi- **AE75**

ated at a given plant, unlike any existing facilities or operations at that plant, new incentives shall be developed where appropriate under A of these Guides and in accordance with the Equitable Incentive Earning Opportunities criteria in B of these Guides and installed at the earliest practicable date.

## D. APPLICATION OF GUIDES TO EXISTING INCENTIVE SITUATIONS IN EACH COMPANY AFTER AUGUST 1, 1969

### 1. Preface

This Section deals with that portion of Paragraph d. of Appendix J that requires recommendation of procedures for application of the Guides to the "then existing incentive situation in each company" and that concludes: "Such procedures shall include the requirement that incentive earnings shall be adjusted to conform to such guides." **AE76**

*Many thousands of incentive applications are* presently in effect. The evidence includes "raw data" showing incentive performance under these incentives for the first three months of 1969. The "raw data" are incomplete in that out-of-line differentials, incentive adjustments, or similar supplements to or ingredients of incentive earnings under other labels are not included. No comprehensive analysis or qualitative appraisal of the "raw data" has been undertaken by the parties. All that is clear is that actual earnings under *existing incentives vary widely. Some earnings* are well below and some earnings are far above the Equitable Incentive Earning Opportunities of these Guides. **AE77**

The Union proposal for dealing with these wide earnings variations would require immediate and substantial upward adjustment of the **AE78**

lower earning incentives but contemplates no adjustment of possible "runaway" incentives. Such a proposal ignores the mandate of Appendix J which must fairly be interpreted as requiring that any program for adjustment of truly unsound incentives be a "two-way street."

**AE79** The Companies have made a proposal which has some "two-way street" implications. It would involve some upward adjustment of existing incentives by modest and uncertain amounts. But adjustments downward would be very extensive and in some cases would be very large. The Companies' proposal includes no provision for earnings protection for employees on jobs that would be adjusted downward. In fact, there was no evidence or testimony of any consequence at the hearing concerning "buy-back," "red circle," or any other arrangement that could accomplish necessary earnings protection. It is not an overstatement to say that the Companies' downward proposal was a broad, long avenue and the upward proposal was a narrow, short alley.

**AE80** The Panel cannot accept the approach of either party. We attempted to devise guides for adjustment that would be fair and practical. We have concluded, however, that in the present state of the evidence this is impossible.

**AE81** As noted in B-2, the simple fact that actual earnings may be below an Equitable Incentive Earning Opportunities target is not necessarily proof that an incentive application is in fact too tight. Conversely, the simple fact that actual earnings may be higher than an Equitable Incentive Earning Opportunities target is not necessarily proof that an incentive application is too loose. And it is manifestly impossible for the Panel to examine thousands of incentive applications in essential detail.

*It might be possible to devise a mechanism* under which only the very low earning incentives and the very high earning incentives would be examined for possible adjustment. Such a ground rule might limit the field of inquiry but still would present difficult problems as to where borderlines should be drawn. The present state of the evidence also does not provide any sound basis for devising any specific earnings protection arrangement that could be utilized in situations where downward adjustments were ultimately *required. Finally, the task of developing new cov*erage incentives will require differing but substantial amounts of time at the various plants. It might be administratively unwise to undertake two major and difficult programs simultaneously. **AE82**

Under all these circumstances, the Panel believes that the most realistic and productive procedures are those which follow: **AE83**

**2. Procedures and Principles for Adjustment of Incentive Applications In Effect on August 1, 1969**

**a.** The parties at each plant are free to undertake negotiations for possible adjustment of existing incentives. Either a Company or a local Union may initiate negotiations by 10-day notification in writing to the other party. The Panel recommends, however, that the initiation of such negotiations should await the conclusion of the *first major steps to determine new coverage* (through A-4-c above) and after at least some substantial progress in installation of new coverage incentive applications (A-5 above). **AE84**

**b.** Pending such negotiations at the plant level and looking forward to a successful local plant program for adjusting incentives, this Award does not require any adjustment now of existing incentive applications, either on the low side or **AE85**

*on the high side. Existing incentives will remain in* status quo and the provisions of A and B above do not apply until these existing incentives have been adjusted by mutual agreement. These provisions do not preclude normal administration of currently applicable contract provisions dealing with existing incentive applications.

**c.** In any such negotiations, an examination of both lower earning and higher earning incentives should be undertaken simultaneously, in such proportions as the parties determine. **AE86**

***d.*** *Any contractual provisions or arbitra-* tion awards that have the effect of preventing or deterring the adjustment of existing incentives by mutual agreement, are not to be applicable when the parties at the plant level reach mutual agreement on such adjustments. Specifically, the parties at the plant level are to have authority to agree on any "buy-back," "red circle," or other protective arrangement that may accompany any agreed adjustment of higher earning incentives. **AE87**

**3. Arbitration**

**a.** *There should be no arbitration as a ter-* minal point for local negotiation under D-2 above. It is recognized, however, that if local negotiations should prove substantially unsuccessful, either the Companies or the Union should be able to obtain final determination of residual issues in respect to the meaning and application of Paragraph d. of Appendix J to the "incentive situations" which existed in each Company on August 1, 1969. **AE88**

**b.** Negotiations between the Companies *and the Union for this purpose may be initiated* upon written request of either the Companies or the Union. **AE89**

**c.** If negotiations do not produce agreement in whole or in part, unsettled issues may be **AE90**

submitted to arbitration under Appendix J.

**d.** The parties are free to designate another Panel of Arbitrators, in whole or in part, to deal with any such residual issues under Appendix J if they mutually desire. **AE91**

**e.** The party requesting arbitration should set forth in its written request therefor a statement of the precise issues which remain to be resolved and its detailed proposals for dealing with all such issues. A copy of this statement should be furnished to the other party. **AE92**

**f.** All necessary procedures for the conduct of any further arbitration proceedings should be determined by the Panel after consultation with the parties. **AE93**

William E. Simkin, Chairman
Ralph T. Seward, Member
Sylvester Garrett, Member

**II. Incentive Checklist**

**A.** The following information should be provided: **AE94**

**(1)** A brief description of the incentive application involved, including: **AE95**

**(a)** Date installed
**(b)** Description of operation and crew covered
**(c)** Type of incentive
**(d)** Period of calculation
**(e)** Summary of pertinent changes
**(f)** Brief description of application prior to and after disputed adjustment or replacement, when applicable.

**(2)** Performance history by turn, day, week or pay period (whichever is appropriate) in terms of measured and pay performance for: **AE96**

**(a)** Period from date of installation to present date in case of new incentive or replacement.

**(b)** Representative period before and after change or alleged change of conditions involving adjustments or replacement.

**(c)** Six pay periods immediately preceding the effective cancellation date of a replaced incentive where earnings are disputed under Section IX-C-4.

**(3)** In the event the grievance involves changed or alleged changed conditions under an existing incentive, the following additional information should be provided: **AE97**

**(a)** Local Union Incentive Committee and Company statement of the change or alleged change relied upon.

**(b)** Date(s) that change or alleged change took place.

**(4)** In the event of an alleged misapplication of a provision of an existing incentive plan, the Local Union Incentive Committee should also identify and describe the specific incentive provision(s) it claims were misapplied or should have been applied. To the extent information is available, the Local Union Incentive Committee should indicate specific instances of misapplication such as dates, turns, pay periods, crews or employees involved, etc., so that the Company representatives can reasonably identify the instance(s) protested. **AE98**

**(5)** A statement and full explanation of position from both the Company and the Local Union Incentive Committee should be provided including the precise contractual provision or provisions relied upon. **AE99**

**B.** If the grievance is submitted to arbitration, the Company shall submit a copy of the involved incentive plan as an exhibit to its pre-hearing brief. **AE100**

**III. Agreement Regarding Incentives** **AE101**

This will serve to confirm the following understanding with respect to incentive coverage for new and changed jobs at plants covered by the August 1, 1969 Incentive Arbitration Award.

Where a new job is established or an existing job is changed or has been changed to the extent that it meets the Guides for Incentive Coverage in Part A of the August 1, 1969 Incentive Arbitration Award, incentive coverage shall be provided for such job in accordance with the Guides for Equitable Incentive Earning Opportunities in Part B of the Award. Such incentives shall be installed and become effective at the earliest practicable date.

## APPENDIX E-1

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

The Parties have met and have reached agreements on improvements to low yield incentive plans.

1. It is the Parties' objective to improve incentive opportunities in the Company's Coke Plant operations and, at its Cleveland-West Blast Furnace operation. To achieve this objective, the following general principles will apply:

**A.** Incentive plans covering jobs which are or would be categorized as Indirect Incentive jobs shall be treated as covering Direct Incentive jobs under the Incentive Arbitration Award and will be

adjusted to provide 35% Incentive Earning Opportunity when working on incentive.

**B.** Incentive plans covering jobs which are or would be categorized as Secondary Indirect Incentive jobs shall be treated as covering Indirect Incentive jobs under the Incentive Arbitration Award and will be adjusted to provide 23% Incentive Earnings Opportunity when working on incentive.

**C.** The replacement of certain existing standards with new standards designed to measure effective compliance with emissions control regulations may be part of the adjustments.

**D.** The adjustments to these plans will provide the designed incentive earnings opportunity for current performance including current performance on emission control issues.

**2.** The Parties have also established an objective to treat Secondary Indirect Incentive jobs as if they were Indirect, to raise incentive plans covering Indirect Incentive jobs and yielding less than 23% up to a yield of 23% and to bring Direct Incentive plans yielding less than 35% under normally proper operating conditions up to 35%. The Parties have budgeted $2,000,000 per year based on 27,500,000 man hours worked per year to accomplish this objective and believe that these funds should be sufficient to the task. If the funds budgeted exceed the amount necessary to achieve the objectives of this paragraph, the Joint Committee established below will determine the excess amount to be included in the profit sharing pool for the year. In any event, the funds budgeted will be fully expended. The following procedures are established to implement this program.

**A.** A Joint Corporate and International Union Incentive Review Committee composed of three

members each from the Union and from Management to be designated by the respective Negotiating Co-Chairmen will oversee, coordinate and resolve disputes submitted by the local parties. It will also be the responsibility of this Joint Committee to monitor the spending of incentive monies to assure compliance with this agreement. The total cost of implementing this paragraph 2 shall be limited to the $2,000,000/year budgeted above.

**B.** Similar committees will be established at each Plant location and will be composed of the President and two members of each concerned Local Union and the Plant Manager and two members of local plant management. These Local Committees will review each Secondary Indirect Incentive Job at the plant location and determine the most efficient and effective means of adjusting such incentives to provide up to 23% Incentive Earnings Opportunity to the jobs covered when working on incentive. In addition, these Local Committees will also review those Indirect Incentives which are not providing at least 23% Incentive Earnings and those Direct Incentives which are not providing at least 35% Incentive Earnings and determine the most efficient and effective means of adjusting such incentives to provide up to 23% Incentive Earnings Opportunity or 35% Incentive Earnings Opportunity respectively to the jobs covered when working on incentive.

**C.** The parties may agree to improve the design of certain incentives to contribute to overall plant productivity and quality.

**D.** Disputes on specific incentives covered by these provisions and the recommended adjustments may be referred to the Joint Corporate and International Union Committee for prompt resolu-

tion. Finally, it will be the responsibility of the Joint Committee to ensure the budgeted $2,000,000 per year will be used in total.

**E.** Full expenditure of the funds budgeted for the purposes set forth in the objectives stated above will constitute satisfactory completion of this objective.

**3.** Installation of the incentive enhancements detailed in paragraphs 1 and 2 above will be accomplished effective September 1, 1991.

*Yours very truly,*
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
/s/ **David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

## APPENDIX F

## MEMORANDUM OF UNDERSTANDING ON TESTING

The Union's September 1965 Agreements with the Company and with Youngstown Sheet and Tube Company provided that the parties would conduct a study on the subject of Testing. The results of that study led to special Agreements on Testing, identified in connection with the August 1968 Agreements. Based on experience of the parties with those special agreements, the parties have agreed to certain revisions and hereby provide for the following: **AF1**

**1.** While the Union preserves fully its right to challenge through the grievance procedure the **AF2**

present or future use of tests, the Union and the Company agree that where tests are used by the Company as an aid in making determinations of the qualifications of an employee, such a test must in any event be a job-related test. A job-related test, whether oral, written or in the form of an actual work demonstration, is one which measures whether an employee can satisfactorily meet the specific requirements of that job including the ability to absorb any training which may necessarily be provided in connection with that job. A written test may not be used unless the job requires reading comprehension, writing or arithmetical skills, and may be used to measure the comprehension and skills required for such job.

**2.** In the case of manning new facilities, transfers from one agreed-upon seniority area to another and transfer from one plant to another, the parties have agreed in specific provisions of the seniority section of the Basic Agreement that an employee may be required to have the ability to progress. To the extent that such a requirement is applicable, the parties agree that an employee may be tested as an aid in determining whether he can qualify for the job he is seeking and, in addition, is likely to become qualified to perform the next higher job in the line of progression or promotional sequence. Such testing shall be job-related as described above and specifically directed toward measuring the actual knowledge or ability that is a prerequisite to becoming satisfactorily qualified on the next higher job in the line of progression or promotional sequence taking into consideration the normal experience acquired by employees in such promotional sequence. **AF3**

This provision is subject to the provisions in **AF4**

Subsection XIII-M, XIII-N, and XIII-O-1, 2 or 3 of this Agreement.

3. All tests shall be: **AF5**

a. Fair in their makeup and in their administration;

b. *Free of cultural, racial or ethnic bias.*

4. Testing procedure shall in all cases include notification to an employee of his deficiencies and an offer to counsel him as to how he may overcome such deficiencies. **AF6**

5. Where a test is used by the Company as an aid in making a determination of the qualifications of an employee and where the use of the test is challenged properly in the grievance procedure, the following is hereby agreed to: **AF7**

a. The Company will furnish to a designated representative of the International Union a copy of the disputed test and all such background and related materials as may be relevant and available.

b. All such tests and materials will be held in strictest confidence and will not be copied or disclosed to any other person; provided that such tests and materials may be disclosed to an expert in the testing field for the purpose of preparation of the Union's position in the grievance procedure and to an arbitrator, if the case proceeds to that step. All tests and materials will be returned to the Company following resolution of the dispute.

c. *Copies of transcripts and exhibits presented* in the arbitration of cases involving the challenge to a test will also be held in strictest confidence and will not be copied or otherwise published.

6. In the determination of ability and physical fitness as used to fill apprenticeship vacancies in accordance with the applicable seniority provi- **AF8**

sions of the Basic Labor Agreement, the Company shall be limited to the use of such examinations and testing procedures which are:

**a)** job related,

**b)** fair in their makeup and their administration, and,

**c)** free of cultural, racial or ethnic bias.

Any tests used by the Company as an aid in making determinations of the qualifications of an applicant must be job-related tests. A job-related test, whether oral, written or in the form of an actual work demonstration, is one which measures whether an applicant can satisfactorily meet the specific requirements of the given craft including the ability to absorb the appropriate training.

Testing procedures shall in all cases include notification to an applicant of his deficiencies and an offer to counsel him as to how he may overcome such deficiencies.

## APPENDIX G

## MEMORANDUM OF UNDERSTANDING ON APPRENTICESHIP

**1. Crafts – Training Periods – Job Classes**

The crafts involved, the training periods and the job classes therefor are set forth in the Basic Labor Agreement. The Company may provide methods for advancement to craft status other than through the apprenticeship training program. **AG1**

**2. Retention of Apprentices During Periods of Reduced Operations**

**a.** Except where circumstances outlined in d-(6), (7), and (8) below are currently applicable, an apprentice who has completed at least **AG2**

25% of the total hours required to complete the apprenticeship training program in which he is enrolled at the time that he would, by reason of the applicable seniority provisions, be laid off or demoted to a lower rated job, shall be afforded the opportunity to and be required to make a binding election either to:

(1) be laid off, demoted and recalled in accordance with all applicable seniority provisions; or **AG3**

(2) be placed in special training status and thereafter identified as Apprentice-Special Training and, in lieu of the rate of pay as would otherwise be determined under Section IX-Rates of Pay of this Agreement applicable to him, be paid at an hourly rate equal to 1/40 of 110% of the sum of the state unemployment compensation and Weekly Benefits under the SUB Plan he would have received had he elected to be laid off without regard to any other SUB eligibility requirements, provided that for any week he is engaged in classroom and/or on the-job type assignments for some but less than 40 hours, he shall be paid such hourly rate for a minimum of 40 hours less any hours he did not participate in such assignments for reasons other than the failure of the Company to make such assignments available or for just cause. The provisions of this Agreement relating to Sunday premium and shift differential shall not be applicable. **AG4**

**b.** An Apprentice-Special Training will be entitled to the provisions of the Basic Labor Agreement, and will be normally scheduled for 5 consecutive, 8-hour days of training (classroom and/or on-the-job type assignments) per week. He will be expected to complete such daily and weekly hours of training which are maximums and will not be exceeded. Further, in weeks con- **AG5**

taining a Holiday an apprentice will not be scheduled for training on the Holiday.

**c.** Such classroom and on-the-job assignments as an Apprentice-Special Training may be called upon to perform shall be consistent with the apprenticeship training program in which he is enrolled provided, however, that such assignments shall not deprive any other employee of employment to which such other employee would otherwise be entitled. **AG6**

**d.** An apprentice who elects to be placed in such special training status will only be removed from such status: **AG7**

**(1)** upon recall to active employment as an apprentice in accordance with the applicable seniority provisions; **AG8**

**(2)** upon satisfactory completion of his apprenticeship training program; **AG9**

**(3)** upon suspension of the apprenticeship retention program due to a drop in the financial position of the SUB Plan below 35%; **AG10**

**(4)** upon unsatisfactory performance, including failure to report without just cause for scheduled hours of training; **AG11**

**(5)** upon changing his election with the mutual consent of Management; **AG12**

**(6)** upon the abandonment of the craft within any plant as the result of a shutdown of the plant, a portion thereof, or discontinuance of a product line; **AG13**

**(7)** upon the substantial reduction in the number of required craftsmen within any given craft as a result of technological changes in steelmaking processes, practices or equipment; or **AG14**

**(8)** upon the mutual agreement between a representative of the corporate office of the Company and the International Union that **AG15**

such special training status within a given craft or crafts should be discontinued or suspended.

An apprentice who is removed from special training status in accordance with d-(2), (3), (4), (5), (6), (7), or (8) as stipulated above will be placed on layoff and recalled in accordance with all applicable seniority provisions. **AG16**

**3. Apprenticeship Committee**

The Apprenticeship Committee composed of an equal number of representatives of the Company and of the Union shall be continued. **AG17**

The Committee shall review the contents of the existing apprenticeship programs for the purpose of (1) developing uniform standards relating to educational attainment through classroom or similar study by apprenticeship periods, (2) developing uniform standards relating to on-the-job work achievement and the time schedules of required experience by type and/or class of work by apprenticeship periods, and (3) developing uniform standards for determining the level, if any, of advanced apprenticeship credit to be allocated to employees transferring to an apprenticeship program from a related job. A report of its determinations, or a detailed report of the areas of disagreement in the event it fails to arrive at agreed determinations, shall be presented to the Chairman of the Company Committee and the President of the Union who shall resolve such disagreement. **AG18**

The agreed standards shall thereafter be adopted by letter agreement between the Chairman of the Company Committee and the President of the Union, and shall provide (a) the criteria for advancement from one apprenticeship period to the next, and (b) the criteria for determining the level, if any, of advanced apprenticeship credit to be allocated to employees **AG19**

transferring to an apprenticeship program from a related job.

Pending the development of the aforementioned standards and their adoption, the existing apprenticeship programs and such new programs as may be added shall continue. **AG20**

## APPENDIX G-1

### MEMORANDUM OF UNDERSTANDING ON APPRENTICES

Effective the date of this Labor Agreement, except as otherwise agreed upon, Apprentices, upon graduation to Journeyman status, shall compete on the basis of plant continuous service with Journeymen of the same craft who have been on layoff or regressed from the Journeyman job for at least 30 days for transfer to fill permanent vacancies in that trade or craft. **AG21**

## APPENDIX H

### LETTER AGREEMENT REGARDING MEMORANDUM OF UNDERSTANDING ON CHECKOFF

***August* 1, 1999**

**Mr. N.P. Vernon, Jr.**
**General Manager**
**Employee Relations & Industrial Engineering**
**LTV Steel Company**
**200 Public Square**
**Cleveland, OH 44114**

***Dear Mr. Vernon:***

RE: Memorandum of Understanding on Checkoff

The Company will implement the dues check-

off provisions of this Agreement in accordance with the following:

**1.** The membership dues for each employee who has provided a voluntary checkoff authorization card shall be an amount equal to 1.3% of said member's total earnings during each pay period, provided that dues shall not be less than $5.00 per month and provided further that dues shall not be more than the CAP multiplier provided in paragraph 2.i. times the member's average hourly earnings. For lump sum payments, dues shall be calculated separately by applying the 1.3% to such payments.

Inactive employees (employees who had been laid off or on leave of absence or who quit, died or retired) who receive lump sum payments shall have an amount of dues deducted from the lump sum payments equal to 1.3% of such payments.

All determinations as to an employee's dues liability shall be based on earnings for the pay period. Dues will be deducted on a per pay period basis and remitted monthly for the pay periods closed in the month for which dues are being deducted.

**2.** Dues are calculated as follows:

**a.** Determine total earnings (TE). Total earnings to be defined as gross earnings less items to be excluded from gross earnings.

**b.** Determine lump sum payments (LS). Lump sum payments to be defined as payments not related to work performed in the dues calculation period or for which hours cannot be associated.

**c.** Calculate adjusted total earnings (ATE). (TE minus LS).

**d.** Determine the number of hours of work associated with adjusted total earnings (ATE).

**e.** The CAP calculation equals adjusted total earnings (c) divided by the hours associated with adjusted total earnings (d) factored by the appropriate earnings period CAP Multiplier (i).

**f.** Multiply adjusted total earnings (c) by 1.3%.

**g.** Multiply lump sum payments (b) by 1.3%.

**h.** To calculate the checkoff amount add (g) to the lesser of (e) or (f), but not less than five dollars per month divided by the average number of pay periods closed in the month.

**i.**

| Earnings Period | CAP Multiplier |
|---|---|
| Weekly | .5769 |
| Biweekly | 1.1538 |
| Semi-monthly | 1.2500 |
| Monthly | 2.5000 |

**3.** Earnings shall mean gross earnings but shall not include insurance benefits; SUB plan benefits; relocation allowance; Workers' Compensation benefits; death or trust benefits or payments; educational assistance payments; classroom instructor fees (outside working hours); EPP payments; severance allowance; military encampment or emergency duty allowance; jury or witness allowance; uniform, safety shoe, clothing or tool allowance; funeral leave allowance; reporting pay or special allowances for meals.

**4.** Profit sharing payments under the Profit Sharing Plan shall be considered lump sum payments under this letter.

**5.** Deduction of dues from the Employee Investment Program ("EIP") shall be as follows:

**a.** The Company will deduct dues and service charges at a rate of 1.3% from all profit-sharing and shortfall payments attributable to payroll-item sacrifices. In no case will dues or

service charges be deducted from payments attributable to sacrifices from major medical, vision care or sickness and accident coverages, nor from payments for active or retiree medical contributions.

**b.** Additionally, prior to any contribution of preferred stock to the Employee Stock Ownership Plan ("ESOP"), the portion attributable to payroll-item sacrifices (but not major medical, vision care or sickness and accident sacrifices) of the Total Annual Investment calculated under the EIP net of any amounts paid from the profit-sharing pool excluding shortfall, shall be multiplied by a rate of 1.3% times a ratio where the numerator is a number equal to the arithmetical average of the closing price per share on the New York Stock Exchange for LTV common stock for the ten consecutive trading days ending on the tenth trading day prior to the date preferred stock is contributed to the ESOP, and the denominator is 16. The resulting amount, net of applicable payroll taxes withheld, will be paid in cash to the Union as dues. It is understood that such resulting amount will be reported by the Company to appropriate government agencies as income to each participant proportionately.

The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company for the purpose of complying with these requirements or in reliance on any list, notice or assignment furnished as a result of these requirements.

**6.** The "hours associated with adjusted total earnings" will consist of:

**a.** Actual hours worked in the pay period.

**b.** One hour for each hour paid in the pay period to salaried employees under the minimum salary guarantee or salary continuance provisions.

**c.** On worked holidays 1.5 hours for each hour worked in addition to actual hours worked.

**d.** Hours used in the calculation of vacation pay in the pay period.

**7.** This memorandum shall not be deemed to alter the meaning of "average hourly earnings" as that term may be used for purposes other than dues calculation.

Should the Union change the dues provision in its constitution or the interpretation of that dues provision such that the procedure for the calculations of dues set forth above is changed, it will notify the Company which will implement the changes unless those changes would cause significant administrative problems in which event the parties will meet to discuss the matter and reach a reasonable accommodation.

Sincerely,

**/s/ David R. McCall**
**David R. McCall**
Co-Chairman–
Negotiating Committee

CONFIRMED:
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations & Industrial Engineering**

## APPENDIX H-1

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

This will confirm our understanding regarding Retiree dues deductions for SOAR; and Retiree and Active deductions for PAC contributions:

1. The Company has implemented a dues and PAC deduction program for retirees who are members of the Steelworker Organization of Active Retirees (SOAR) and who have submitted authorization for such deductions from their pension on a form acceptable to the Company.

2. The Company will implement a PAC deduction program for active employees who have submitted authorization for such deductions from their wages on a form acceptable to the Company.

3. The Union shall indemnify and save the Company harmless against any and all claims, demands, suits, or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company for the purpose of complying with any of the provisions of these understandings, or in reliance on any list, notice or assignment furnished under any of such provisions.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
/s/ **David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

## APPENDIX I

## MEMORANDUM OF UNDERSTANDING ON LABOR-MANAGEMENT PARTICIPATION TEAMS

The following understandings have been agreed upon regarding Labor-Management Participation Teams. **AI1**

The strength and effectiveness of an industrial enterprise in a democratic society require a joint effort between labor and management at several levels of interaction. The parties hereto recognize that if steelworkers are to continue among the best compensated employees in the industrial world and if steel companies are to meet international competition, the parties must pursue their mutual objectives with renewed dedication, initiative and cooperation. **AI2**

Collective bargaining has proven to be a successful instrument in achieving common goals and objectives in the employment relationship between steel labor and steel management. However, there are problems of a continuing nature at the level of the work site which significantly impact that relationship. Solutions to these problems are vital if the quality of work for employees is to be enhanced and if the proficiency of the business enterprise is to be improved. **AI3**

The parties recognize that a joint approach involving employees and supervision at the work site in a department or similar unit is essential to **AI4**

the solution of problems affecting them. Many problems at this level are not readily subject to resolution under existing contractual programs and practices, but affect the ongoing relationships between labor and management at that level. Joint participation in solving these problems at the departmental level is an essential ingredient in any effort to improve the effectiveness of the company's performance and to provide employees with a measure of involvement adding dignity and worth to their work life.

In pursuit of these objectives, the parties **AI5** believe that local union and plant management at a plant can best implement this cooperative approach through the establishment of Participation Teams of employees and supervision in departments or similar units at the plant. It is agreed that the Participation Teams program shall be as follows:

**1.** To facilitate the establishment of participa- **AI6** tion committees and participation teams, and to assist them, the Participation Team Review Commission, heretofore established, comprised of headquarters representatives of the Company and International Union, shall determine the plants to be covered by this Program and the dates on which the Program shall commence. These determinations shall be made in consultation with local plant management and the local union officers and subject to their concurrence.

**2.** A Participation Committee will be estab- **AI7** lished at the plant level to coordinate the activities of the Participation Teams at department or unit level. A Participation Team will be made up of a management Co-Chairman, an employees' Co-Chairman, and employee and supervision members of the department or unit. Employee members and supervision members need not be

equal in number, and may be rotated periodically to permit broader employee involvement. The employees of the department or unit will select their Participation Team Co-Chairman and members.

3. Each employee member of a Participation Committee or a Participation Team shall be compensated for time spent away from work in Committee or Team activities at his average straight time hourly rate of earnings as calculated under Subsection XI-D-1. **AI8**

4. Participation Team meetings shall be called by the co-chairmen during normal working hours as often as the employee and supervision members agree. A Participation Team shall be free to discuss, consider and decide upon proposed means to improve department or unit performance, employee morale and dignity, and conditions of the work site. Appropriate subjects, among others, which a Team might consider include: use of production facilities; quality of products and quality of the work environment; safety and environmental health; scheduling and reporting arrangements; absenteeism and overtime; incentive coverage and yield; job alignments; contracting out; and energy conservation and transportation pools. The Participation Committee and the Participation Teams shall have no jurisdiction over the initiation of, or the processing of complaints or grievances. The Participation Committee and the Participation Teams shall have no authority to add to, detract from, or change the terms of the Basic Labor Agreement. **AI9**

5. A Participation Team shall be free to consider a full range of responses to implemented performance improvement, including, but not limited to, such items as bonus payments or **AI10**

changes in incentive performance pay. A Participation Team may also consider one-time start-up bonuses for employees on new facilities who reach target levels in specified periods.

## APPENDIX J

## MEMORANDUM OF UNDERSTANDING ON GRIEVANCE AND ARBITRATION

The following understandings have been agreed to: **AJ1**

1. On a quarterly basis the Company shall transmit to a headquarters' representative of the International Union available reports containing the statistics of the grievance procedure at each plant and at each step of the grievance procedure above the Second Step including expedited and permanent arbitration. **AJ2**

2. A copy of the Company's statistical record concerning the experience at each plant which utilizes the Expedited Arbitration Procedure provided in this Agreement shall also be furnished to the Union on a quarterly basis. The record shall include the plants at which such expedited procedure is being utilized, the names of the arbitrators selected thereunder, the number of cases handled, average number of cases heard per hearing, and average cost per case. **AJ3**

3. Agreement Regarding Task Force

The Company and the International Union agree to designate a headquarters representative to serve as a Task Force on Grievance and Arbitration in relation to the workings of the grievance and arbitration procedure at each of the plants of the Company represented by the Union. Such Task Force will have the following duties and powers: **AJ5**

**a.** It will conduct a monthly review of cases appealed to the regular arbitration procedure to see whether any such cases shall be referred for handling through Expedited Arbitration.

**b.** It will periodically examine the records of performance of the grievance and arbitration procedure for the Company and each of its plants; in no event will such review be held less than quarterly.

**c.** It will review the pending grievance load wherever it finds that backlogs or delays have developed or threaten to frustrate prompt settlement of employee complaints and grievances. Such review can include any or all of the following:

**(1)** Examination of the causes for the backlog or delays;

**(2)** Review of specific grievances with the right by agreement of the members of the Task Force to refer them to be handled through Expedited Arbitration by the local parties with a timetable the Task Force deems to be appropriate.

The parties may designate alternates to serve on the Task Force as they see fit.

It is our intention that the provisions herein when used, should result in increasing the degree to which the local parties at the lowest possible step in the grievance procedure effectively dispose of the problems before them. In order to further such objectives, the members of the Task Force shall be empowered to take such measures as they may agree to be necessary to dispose of any backlog of grievances and to increase the effectiveness of the grievance and arbitration procedures.

**4.** Agreement Regarding Processing of

Discipline Grievances

It is recognized that it is in the best interest of Management and employees to resolve grievances concerning discipline as promptly as practicable. Toward that end we agree to the following: **AJ6**

**a.** Where grievances concerning written reprimands or suspensions of five days or less are to be arbitrated, they shall be arbitrated in the Expedited Arbitration Procedure unless appropriate representatives of the parties agree that such a grievance should be arbitrated in the regular arbitration procedure; provided, however, that where grievances concerning any discipline involving concerted activity or multiple grievances arising from the same event are to be arbitrated, they shall be arbitrated in the regular grievance procedure.

**b.** Except as otherwise provided in paragraph 1.a., Appendix J-3, where grievances concerning suspensions of more than five days or discharge are to be arbitrated, they shall be arbitrated in the regular arbitration procedure; provided, however, that the Company shall provide that such grievances will be docketed, heard, and decided within 60 days of appeal unless the Board or permanent arbitrator determines that circumstances require otherwise.

# APPENDIX J-1

## *LETTER AGREEMENT ON* BACK PAY CALCULATIONS UNDER SECTION VIII

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

This letter is to confirm our understanding that hereafter in applying Section VIII of this Agreement no deduction from back pay awards or settlements under Section VIII shall be made *for governmental assistance (excluding unem*ployment compensation and any similar payments), welfare, Trade Readjustment Allowance benefits, or private charity received by an affected employee, except that, in calculations made in accordance with Section XIII-P, Trade Readjustment Allowance benefits will be deducted. This understanding shall also be effective for any grievance or arbitration case now pending, and shall be without prejudice to the respective positions of the parties in disputes concerning any matter not covered in this letter.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
***David R. McCall***
Co-Chairman-Negotiating Committee

# APPENDIX J-2

## MEMORANDUM OF UNDERSTANDING ON JUSTICE AND DIGNITY ON THE JOB

The following understandings have been reached for an Experimental Procedure for Justice and Dignity on the Job applicable to discharge and suspension cases only. **AJ2.1**

During the term of the **August 1, 1999** Basic Labor Agreement, the Experimental Procedure set forth below shall be applicable to all plants of the Company in which Labor-Management Participation Teams, as defined in Appendix I are presently in effect or are put into effect during the term of the **August 1, 1999** Basic Labor Agreement, subject to agreement of the Local Unions at such plants. During the term of the **August 1, 1999** Basic Labor Agreement, the Experimental Procedure set forth below shall be applicable to at least one-third of the steel-producing plants of the Company, provided, however, that any plant referred to in the first sentence of this paragraph which elects not to adopt the Experimental Procedure set forth below shall be counted toward the one-third requirement as if the Experimental Procedure had been agreed to by the Local Union. For any plant to which this Experimental Procedure is applied, the Basic Labor Agreement shall be deemed to be modified insofar as is necessary by this Experimental Procedure. At those plants where an LMPT program is first introduced during the term of this Agreement, either party may elect to delay the introduction of the Experimental Procedure for Justice and Dignity for a reasonable period not to exceed six months. **AJ2.2**

This Experimental Procedure will not be applicable to, and shall not modify or amend the terms **AJ2.3**

of the Basic Labor Agreement as applied to any other plants of the Company. Any suspension or suspension which was converted to discharge prior to August 1, 1983 at a plant designated as an experimental plant shall be processed under the terms of the Basic Labor Agreement exclusive of this Experimental Procedure.

**1.** During the period this Experimental Procedure is in effect at a designated plant, Management, after converting a disciplinary suspension to discharge, or imposing a suspension, shall not remove the affected employee from active work on the job to which his seniority entitles him upon such conversion or imposition prior to a final determination of the merits of the discharge or suspension in accordance with the applicable provisions of the Basic Labor Agreement should the employee elect to file a complaint or grievance protesting Management's decision. For purposes of the operation of the option not to be removed from the job pursuant to this Experimental Procedure, a complaint or grievance protesting a discharge or suspension must be filed within five (5) calendar days after notice of the conversion to discharge or imposition of the suspension, as the case may be. In the event no complaint or grievance is filed within such time limit, the Company will not suspend or remove the affected employee from active work on the job to which his seniority entitles him prior to the day following the expiration of the time limit set forth in this paragraph. For any purpose other than operation of the option set forth above, the time limits for filing a complaint or grievance protesting a discharge or suspension shall continue to be those set forth in the Basic Labor Agreement. **AJ2.4**

**2.** The parties recognize that it is essential **AJ2.5**

that a proper balance be maintained between the right of an employee to be retained under the Experimental Procedure and the right of Management to manage the plant. Accordingly, to insure that balance, this Experimental Procedure will be inapplicable to discharges or suspensions involving any offenses which endanger the safety of other employees or members of supervision or the plant and its equipment. Such offenses shall include, but are not limited to: theft, use and/ or distribution on Company property of drugs, narcotics, and/or alcoholic beverages; possession of firearms on Company property; destruction of Company property; threatening bodily harm to, and/or striking a member of supervision; fighting; and such insubordination as endangers the safety of other employees or members of supervision or the plant and its equipment. In addition, this Experimental Procedure will be inapplicable to a discharge or suspension involving activity prohibited by the provisions of Section IV-3 of this Agreement, and to any violation of the terms of a last chance agreement.

**3.** When an employee is retained pursuant to Paragraph 1, and the employee's discharge or suspension is finally determined in the grievance procedure or in arbitration to be for just cause, the removal of the employee from the active employment rolls shall be effective for all purposes the day following the date of final resolution of the grievance. **AJ2.6**

**4.** While a discharged employee is retained at work pursuant to paragraph 1 and the employee is discharged again for a repeat of the same conduct, the employee will no longer be eligible to be retained at work under these provisions. Such removal from work will be effective on the **AJ2.6.1**

day of the subsequent suspension.

**5.** Nothing in this Experimental Procedure shall restrict or expand Management's right to relieve an employee for the balance of such employee's shift under the terms of the Basic Labor Agreement. **AJ2.7**

**6.** During the term of this Agreement, this Experimental Procedure may be Implemented at any plant by mutual agreement of the Plant Manager and the Local Union President. To encourage the local parties to adopt this Experimental Procedure, the local parties may agree to Implement this Experimental Procedure for a trial period, and/or to modify the degree of discipline to which the provisions of this Experimental Procedure would be applicable. **AJ2.9**

## APPENDIX J-3

## MEMORANDUM OF UNDERSTANDING ON GRIEVANCE AND ARBITRATION PROCEDURE

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

Existing procedural requirements relating to the filing and processing of Complaints and Grievances notwithstanding, in an effort to overhaul and streamline the grievance and arbitration procedure in order to eliminate the cause of back logs and ensure the speedy resolution of grievances, the following understandings have been reached for the term of the **1999** Labor

Agreement:

1. Each Local Union shall have the option of expanding the types of cases subject to the Expedited Arbitration Procedure by adopting one or both of the following programs:

a) All grievances involving discipline, except those involving discharge or discipline for concerted activity, will be processed under the Expedited Arbitration Procedure.

b) Unless otherwise mutually agreed by the parties, all grievances will be processed under the Expedited Arbitration Procedure, including those specified in paragraph a) above, and not including cases involving wage matters, job eliminations and job combinations, testing, severance allowance, contracting out matters, significant safety and health matters, and the benefits agreements.

2. The grievant and/or the grievance committeeman (or assistant grievance committeeman for First Step discussions only) will not be docked for time spent in presenting and discussing First or Second Step Complaints or Grievances with the appropriate Management representative, if such meeting is held so as to require time off the job. The current procedures with respect to scheduling such discussions shall not be affected by this Agreement.

3. The parties recognize the problems created by a large backlog of grievances. In order to address one aspect of this problem, the parties pledge themselves to diligently work to avoid duplicative and repetitive grievances. To this end, within 90 days after the effective date of successor Labor Agreements, the parties will review all outstanding Complaints and Grievances in all steps of the grievance procedure for the purpose of eliminating duplicative Complaints and

Grievances and consolidating repetitive Complaints and Grievances.

4. In an effort to improve the effectiveness of the grievance procedure and to enhance the parties' ability to resolve problems in all steps of the grievance procedure on a mutually satisfactory basis, it is recognized that this objective may most effectively be accomplished if the individuals primarily responsible for the handling of grievances at the plant level are well versed in the skills and procedures designed to bring these desirable results to fruition in a spirit of mutual confidence and trust. Accordingly, upon the effectiveness of successor Labor Agreements, arrangements will be made for the General Grievance Committeeman of each Local Union and the Manager of Labor Relations at each plant to attend a program designed to improve the problem-solving skills of these participants. The cost of such a program will be borne by the Company.

5. At each plant experiencing problems in the processing of grievances, a problem-solving meeting will be held by representatives of the Company and the Union to review ways to improve the grievance handling at the plant. The Company representatives will include, as a minimum, the Manager of Labor Relations at the plant or his designated representative and the head of each department or his designated representative. The Union representatives will include, as a minimum, the President and General Grievance Committeeman of each Local Union or their designated representatives and the Grievance Committeeman from each department or his designated representative. The primary purpose of these meetings is not to resolve specific grievances but to determine ways to

 

facilitate the processing of grievances at the plant.

**6.** In instances where an employee is entitled to be made whole as a result of an Arbitration Award or a grievance settlement, earnings of such an employee from employment outside the Company during any part of the period in question will not be deducted from the amount owed the employee.

**7.** The Company will pay a maximum total of sixteen hours' lost time to the Union representatives for participating in each full day of scheduled Third Step hearings. A full day of scheduled Third Step hearings, for purposes of this paragraph shall be considered as one in which the Third Step hearings last six hours or more. In instances where the scheduled Third Step hearings are completed in less than six hours, the total of sixteen hours' pay for the lost time of participating Union representatives will be prorated based on the ratio of the length of the hearings to six hours. The identity of the payees for each such day of Third Step hearings will be supplied by the Local Union President or General Grievance Committeeman. The current procedures with respect to scheduling such Third Step hearings shall not be affected by this provision.

**8.** Unless otherwise mutually agreed, in the event Arbitration Awards or grievance settlements requiring monetary payment are not paid within 30 days after the identity of the payees and the specific amount owed each payee has been determined, the affected payees will be paid interest at the current passbook savings account rate of the bank on which the check is drawn until the payments have been made. This provision will be applicable to Arbitration Awards issued or grievance settlements concluded after the effec-

tiveness of successor Labor Agreements.

**9.** The Union has advised the Company that at some plants there have been problems, from time to time, with respect to holding Third Step Hearings and providing Third Step Answers within the time limits set forth in the Labor Agreement. In order to address these problems, it is agreed that the President of a Local Union and/or the Manager of Labor Relations at a specific plant may request the Co-Chairmen of the Task Force on Grievance and Arbitration to review the workings of the grievance and arbitration procedure at that plant with specific emphasis on the processing of grievances in the Third Step and to make recommendations to the aforementioned local parties to alleviate any existing problems in connection therewith.

**10.** In place of the present Second Step procedure, the following procedure will be implemented in each department of each plant.

An experimental Second Step Review Committee which was established effective October 1, 1986 for a period of one year to review Complaints not resolved in the First Step is continued for the duration of the **1999** Labor Agreement. A review of outstanding Complaints properly referred to the Committee will be held on a weekly basis. The Committee will be composed of three Union and three Company representatives, as designated by the appropriate Zone Committeeman and the head of the concerned department, respectively, including the appropriate Grievance Committeeman or his designated representative (but not including the grievant who has the right to be present at the meeting) and the Department Head or his designated representative (but not including the involved Supervisor). Disputed issues set forth as excep-

tions in Paragraph 1-b of this Memorandum of Understanding will not be reviewed by this Committee but shall be filed as grievances in the Third or Fourth Step as appropriate. The aim of this Committee will be to resolve the Complaint, if possible, but as a minimum, to obtain all the necessary facts relating to the Complaint to aid in the further processing of the Complaint. At the Second Step Review Meeting, the parties will record their positions in writing for all unresolved Complaints discussed at the meeting. Any unresolved Complaints (with the written position of each party) may be appealed to the Third Step for processing within ten days of the completion of the written record excluding Saturdays, Sundays and recognized holidays.

The Union designated representatives of the Second Step Review Committee and the grievant will not be docked for time spent in presenting and discussing Second Step Complaints with the Management designated representatives of the Second Step Review Committee, if such meeting is held so as to require time off the job. The current procedures with respect to scheduling such discussions shall not be affected by this Agreement.

Not later than fifteen days after the end of each quarter, the President of the Local Union(s) and the Manager of Labor Relations at each plant will submit to the Co-Chairmen of the Task Force on the Grievance and Arbitration Procedure, a report on the activities of each experimental Second Step Review Committee at that plant for that quarter. The report for the quarter ending December 31, 1994 will also include a recommendation of the local parties on the future status of each Review Committee for the remaining life of the Labor Agreement. Not later than

July 1, 1995, the Co-Chairmen of the Task Force, after review with the full Task Force, will submit a report to the Co-Chairmen of the full Negotiating Committee on the activities of the Second Step Review Committee(s) at each plant and a recommendation as to whether such procedure at each plant or pertinent portion thereof where there is more than one Local Union should be retained for the remaining life of the Labor Agreement, for some shorter period, modified, or terminated at the end of the experimental period on July 31, 1995.

In addition, the Local Union President(s) or the Manager of Labor Relations at each plant may, but no earlier than August 1, 1995, elect not to continue the application of the Second Step Review Committee Procedure for such plant or pertinent portion thereof represented by a specific Local Union, by providing sixty (60) days' written notice of such election to the other party and to the Co-Chairmen of the Grievance and Arbitration Procedure Task Force.

11. The Union has alleged that at some plants, Management's actions from time to time have resulted in repeated violations of some provisions of the Labor Agreement for which the only effective remedy would be cease and desist orders. In order to determine the extent of such alleged repeated violations, it is agreed that at each plant where the Local Union believes such problems exist and so notifies the Manager of Labor Relations at the plant, the Manager of Labor Relations will review such allegations with the Local Union President and/or the General Grievance Committeeman in an attempt to resolve any such problems uncovered by the review. If such local parties are unable to satisfactorily resolve this matter in a reasonable peri-

od of time, either of these parties may request the Co-Chairmen of the Task Force on Grievance and Arbitration to review this problem and make recommendations to the local parties for its resolution including cease and desist orders and possible monetary penalties.

Yours very truly,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

## APPENDIX J-4

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

This will confirm our understanding that in the application of Paragraph 7 of Appendix J-3 of the Memorandum of Understanding on Grievance and Arbitration Procedure, the length of a day of scheduled Third Step hearings will be calculated to the nearest hour as set forth below. In addition, the total lost time hours paid to participating Union representatives for each full day of scheduled Third Step hearings, or fraction thereof, will be as follows:

| Length of a Day of Scheduled Third Step Hearings | Total Hours Paid to Union Representative Participating at Scheduled Third Step Hearings |
|---|---|
| 6.0 hours or more | = 6 hours 16 hours |
| 5.5 to 6.0 hours | = 6 hours 16 hours |
| 4.5 to 5.4 hours | = 5 hours 14 hours |
| 3.5 to 4.4 hours | = 4 hours 11 hours |
| 2.5 to 3.4 hours | = 3 hours 8 hours |
| 1.5 to 2.4 hours | = 2 hours 5 hours |
| Less than 1.5 hours | = 1 hour 3 hours |

Yours very truly,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

## APPENDIX J-5

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

In connection with the Second Step review committee procedure, as set forth in paragraph 10 of Appendix J-3, the *Memorandum of Understanding on Grievance and Arbitration Procedure*, it is agreed that if a critical situation develops in the administration of this procedure at a specific plant the local union president or the manager of labor relations may request the Co-Chairmen of the full negotiating committee, to review the application of this procedure at that plant. The Co-Chairmen may mutually agree to return to the former Second Step procedure at that plant.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

# APPENDIX J-6

## LETTER AGREEMENT ON GRIEVANCE AND ARBITRATION PROCEDURE

August 1, 1999

Mr. David R. McCall
Co-Chairman-Negotiating Committee
United Steelworkers of America
777 Dearborn Park Lane, Suite J
Columbus, OH 43085

Dear Mr. McCall:

During negotiations of the 1999 Basic Labor Agreement, the parties discussed the problems created as a result of a grievance backlog at certain plants of the Company. The parties recognize that there is a mutual responsibility to address these problems where they exist. In addition, the parties recognize that current provisions of the Basic Labor Agreement have been successful in the past in addressing these types of issues.

The Union advanced the concept of invoking an Experimental Grievance Screening Procedure to help alleviate the backlog of grievances at certain plants within the Company. Under this procedure, those grievances which cannot be resolved by the local parties, after conducting an extensive review would be submitted to a "Screening Arbitrator" for a non-precedent setting advisory opinion.

The Company and Union have retained the services of two (2) Associate Arbitrators to assist the Permanent Arbitrator in hearing grievances that have been appealed and docketed for arbitration. The parties acknowledge that the available arbitration dates have not been effectively utilized to help alleviate

the backlog of grievances awaiting arbitration. These Associate Arbitrators are not restricted as to the subject matter of grievances which may be brought before them for hearing in arbitration.

Therefore, within (60) days of the effective date of the successor Basic Labor Agreement, upon written request from the Union Co-Chairman to the Company Co-Chairman, the Director of Arbitration for LTV Steel Company and the Union Director – Arbitration Department will conduct a review of those identified plant(s). The review at any identified plant(s) will determine which areas of the Basic Labor Agreement shall be implemented to alleviate the specific identified problems and reduce any backlog. Upon completion of any requested review as outlined above, the Director of Arbitration for LTV Steel and the Union Director – Arbitration Department will submit a written report to the Co-Chairmen outlining those provisions of the Basic Labor Agreement which shall be implemented to alleviate any backlog, including the effective utilization of the Permanent Arbitrator and the Associate Arbitrators.

As an assist in addressing the backlog issue cited above, the parties have agreed to retain the services of three (3) additional Associate Arbitrators who will be selected by the Company from the list supplied on the Union's proposal dated July 7, 1999. Should three (3) not be available from the list, the parties will agree on a replacement(s) in order to maintain the three (3) additional Associate Arbitrators.

In addition, the Director of Arbitration for LTV Steel Company and the Union Director –

Arbitration Department shall agree to establish for those identified Local Union(s) (any Local Union with an arbitration case load of 150) an Experimental Grievance Screening Procedure similar to that advanced by the Union during the course of the 1999 Labor Agreement discussions.

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager
Employee Relations and
Industrial Engineering

CONFIRMED:
/s/ David R. McCall
David R. McCall
Co-Chairman-Negotiating Committee

## APPENDIX J-7

## LETTER AGREEMENT ON GRIEVANCE AND ARBITRATION PROCEDURE

August 1, 1999

Mr. David R. McCall
Co-Chairman-Negotiating Committee
United Steelworkers of America
777 Dearborn Park Lane, Suite J
Columbus, OH 43085

Dear Mr. McCall:

During the negotiations of the August 1, 1999 Labor Agreement, the Parties had several discussions regarding the Grievance Procedure and mechanism currently available in the Agreement to resolve specific problems which might arise, such as Appendix J of the Agreement. Additionally, during these negotiations, the Parties

**reached understandings regarding Grievance Backlogs and an Experimental Grievance Screening Procedure.**

***Should the above understandings fail to* address current Grievance Procedure problems, or should current problems resurface again in the future, the Union Co-Chairman may direct Management to implement an Agreement similar to the provisions of Section 6-D-12 of the February 12, 1994, Labor Agreement between USS and the USWA.**

**Very truly yours,**
***/s/* N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
***Employee Relations and***
**Industrial Engineering**

**CONFIRMED:**
***/s/* David R. McCall**
**David R. McCall**
**Co-Chairman-Negotiating Committee**

## APPENDIX K

### *MEMORANDUM OF UNDERSTANDING* ON SAFETY SHOE ALLOWANCE

The following understandings have been agreed to *regarding safety shoe allowances*:

**I. Memorandum of Understanding on Safety Shoe Allowance** **AK1**

On **August 1, 1999, August 1, 2001 and August 1, 2003**, each employee who on that date has one year of continuous service shall receive an allowance of **$80.00** to purchase safety shoes for his wear at the plant. This benefit is

in lieu of and supersedes any local practice or agreement to pay for shoes or metatarsals except where the employees elect to retain the existing practice or agreement, and except where the Company is required by law to pay for such shoes and metatarsals.

**II. Letter Agreement Regarding Safety Shoe Allowance** **AK2**

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
***Dear Mr. McCall:***

This will confirm our understanding that any employee who is eligible to receive a safety shoe allowance pursuant to this Appendix K but is or was not paid such allowance because he was then in inactive status, will receive payment of an allowance when he returns to active employment. However, an employee shall in no event be entitled to more than one such allowance in any calendar year during the term of this Agreement.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

# APPENDIX L

## MEMORANDUM OF UNDERSTANDING ON CARBON MONOXIDE CONTROL PROGRAM

The Company recognizes that the steel pro- **AL1**
ducing and finishing processes require equipment that can produce carbon monoxide gas in dangerous concentrations under certain circumstances of accidental release. In order to minimize the potential for accidental release of blast furnace gas and other gases containing carbon monoxide, the Company shall complete a comprehensive survey at each of its plants at the earliest possible time. The survey, to be conducted by Engineering, Safety and other personnel as necessary, shall list locations from which, on the basis of experience or other information, significant amounts of carbon monoxide are likely to escape, the conditions which might cause such a release and the steps necessary to minimize or control the hazard. The survey will be updated whenever significant changes are made to the gas-handling system or procedures.

The Company shall implement in a timely **AL2**
manner consistent with the hazards a reasonable program for the control of carbon monoxide which shall include but not be limited to the following:

**1.** A reasonable time schedule for the imple- **AL3**
mentation of the steps necessary to eliminate or control the hazard as identified in the survey;

**2.** Evaluation and, where necessary, amend- **AL4**
ment of safe job procedures for gas system maintenance programs with respect to equipment whose failure might result in exposure to dangerous concentrations of carbon monoxide. Copies of these procedures shall be included in the con-

trol program;

3. Installation of adequate automatic carbon monoxide sensing devices equipped with alarms and use of portable carbon monoxide monitors where necessary to protect employees whose work assignments so require. Monitors, alarms and other parts of the detection and warning system shall be tested on a periodic basis sufficiently frequent to insure reliable operation. The control program shall include a general description of the location of the sensing devices and the general circumstances under which portable detectors shall be used and the frequency for periodic testing of the monitoring system; **AL5**

4. Assignment of responsibility for the maintenance, inspection, and use of gas testing equipment and investigation of sources of gas when the automatic alarms are actuated; **AL6**

5. Provision of an adequate number of approved breathing apparatus appropriate for emergency operations and escape in locations readily accessible to employees. The program shall include a description of the types of breathing apparatus and their locations as well as the identification of responsibility for checking and maintaining the devices; **AL7**

6. Training of employees in recognition of the hazards and symptoms of carbon monoxide poisoning. Such training shall be within the framework of existing safety training programs after review of such programs and supplementation as required. As part of this training, employees shall be instructed in escape and emergency rescue procedures. A detailed outline of the training procedures shall be included in the program; **AL8**

7. Posting of emergency escape procedures in areas of potential hazard; **AL9**

8. An emergency rescue program which **AL10**

shall include provisions for treatment of carbon monoxide exposures, emergency rescue techniques for various parts of the plant, and appropriate rescue and recovery equipment including resuscitators. The program shall include identification of the employees trained in emergency rescue techniques;

**9.** An investigation of carbon monoxide incidents which result in employee illness (defined as carboxyhemoglobin levels of 14% or higher), or which involve substantial accidental releases of carbon monoxide. A union member of the Joint Safety and Health Committee will participate in the investigation. A report of the incident will be included with the carbon monoxide control program. **AL11**

On a periodic basis, the Joint Safety and Health Committee will conduct a review of the plant carbon monoxide control program. These reviews shall be conducted by the committee during their regularly scheduled meetings. Recommendations shall be submitted to the plant manager for consideration. **AL12**

A copy of the carbon monoxide control program or any portions thereof and any revisions shall be provided upon request to the Union Co-Chairmen of the Safety and Health Committee and the International Union Health, Safety and Environment Department. **AL13**

# APPENDIX M

## LETTER AGREEMENT ON TRADE AND CRAFT TRANSFER RIGHTS

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

This will confirm our understanding that where local agreements or practices do not now so provide, appropriate plant management and local Union representatives may agree that trade or craft vacancies in assigned maintenance may be filled from among craft employees in the same trade or craft who wish to transfer from another unit before such vacancies are filled by less senior graduate apprentices.

All such agreements shall be submitted for approval to the Joint Review Committee.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

# APPENDIX M-1

## LETTER AGREEMENT ON TRANSFER RIGHTS

August 1, 1999

Mr. David R. McCall
Co-Chairman-Negotiating Committee
United Steelworkers of America
777 Dearborn Park Lane, Suite J
Columbus, OH 43085

Dear Mr. McCall:

During negotiations leading to the August 1, 1999 Basic Labor Agreement certain transfer restrictions, set forth in Section XIII-O-5, were increased from six months to one year. This will confirm our understanding with respect to plant-wide bids that such expanded restrictions shall be applicable notwithstanding any practice or agreement to the contrary.

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager
Employee Relations and
Industrial Engineering

CONFIRMED:
/s/ David R. McCall
David R. McCall
Co-Chairman-Negotiating Committee

# APPENDIX N

## LETTER AGREEMENT ON STOCK OWNERSHIP PLAN

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
***Columbus, OH 43085***
**Dear Mr. McCall:**

The purpose of this letter is to confirm that the Company may, if it chooses, make necessary arrangements with the Union to provide an employee stock ownership plan in addition to or in substitution for other provisions of this Settlement Agreement (except those relating to pensions) for the employees of any bargaining unit of such Company covered by this Agreement.

*Very truly yours,*
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
**David R. McCall**
*Co-Chairman-Negotiating Committee*

# APPENDIX O

## MEMORANDUM OF UNDERSTANDING ON PLANT CLOSINGS

The parties recognize the potential, far reaching impact of permanent shutdowns of facilities, substantial layoffs and the need to cooperate in attempting to lessen this impact. Accordingly, for purposes of the administration of this Memorandum of Understanding, the Company and the International Union shall designate headquarters representatives who, in the event of the permanent shutdown of a plant, or a substantial layoff, shall meet to establish in appropriate circumstances a program to provide employee training, counseling and placement assistance, and to seek support for such program from Federal, State or Local funds and/ or programs that may be available. If such funds or programs are available, the Company and Union shall work jointly to secure such funds or assistance to provide alternative job training and job search counseling for affected employees for job opportunities; counseling for affected employees on available benefit programs and job opportunities within the Company and the area.

During the term of the 1987 Basic Labor Agreement, jointly sponsored programs to support displaced Steelworkers have successfully operated at LTV Steel Company operations in Aliquippa, Chicago and Youngstown. The diversi- y and scope of these activities have demonstrated our ability with private institutional support to mitigate the effects of displacement upon Steelworkers and their families. Accordingly, the parties to this Agreement reaffirm their commitment to these programs, and may augment such activities with a rapid response capability which

may deal with such matters as literacy enhancement, adult education, substance abuse, and participant incentives.

To this end, the financial support of **$974,000** which was not used during the term of the prior Agreements will be made available as needed over the term of this Agreement to support programs of retraining as provided for under the Memorandum of Understanding on Plant Closings. The designated headquarters representatives of the Company and International Union under this Appendix will be jointly responsible for allocation of these funds.

In the administration of this Memorandum of Understanding, the availability or unavailability of government funds or programs shall not detract from the parties' commitment under this Agreement to establish in appropriate circumstances a program for affected employees including private funding arrangements and/or in-kind service contributions from the Company or Union.

In the initiation of any programs under this Agreement, the Company and Union shall insure that programs are jointly sponsored in design, implementation and operation. In the achievement of this objective, and to provide the best possible program available, counsel and assistance may be obtained from organizations such as the U.S. Department of Labor's Bureau of Labor-Management Relations and Cooperative Programs, the AFL-CIO's Human Resources Development Institute and the Midland Center for Career Development.

Further, the Company will cooperate with the involved local union and state unemployment agency, other appropriate public or private employment agencies, and area employers in an

effort to seek job opportunities for displaced employees. To further assist affected employees, both the Company and the Union will designate specific plant representatives at the time of any such permanent plant closing to answer questions by employees pertaining to their rights under the Basic Labor Agreement and various benefits programs.

The financial support and programs sponsored under this Agreement may, by mutual agreement of the International President of the United Steelworkers of America and the Chief Executive Officer of LTV Steel Company, be incorporated in the Institute for Career Development established in Appendix KK, Agreement on the Establishment and Administration of the USWA/LTV Steel Institute for Career Development.

## APPENDIX O-1

## LETTER AGREEMENT ON MEMORANDUM OF UNDERSTANDING ON PLANT CLOSINGS

**August 1, 1999**

**Mr. David R. McCall**
**Co-Chairman-Negotiating Committee**
**United Steelworkers of America**
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**

**Dear Mr. McCall:**

**This will confirm our understanding reached during negotiations of the 1999 Basic Labor Agreement that beginning in the year 2000 and thereafter during the term of the 1999 Basic Labor Agreement the Co-Chairmen of the Negotiating Committee may, by mutual agreement, utilize certain of the**

**funds identified in the MEMORANDUM OF UNDERSTANDING ON PLANT CLOSINGS (Appendix O) to address additional issues under other provisions of the Labor Agreements such as the letter of understanding regarding the review and assessment of work and family concerns of employees.**

**Funds allocated under the provisions of this letter agreement shall not exceed $50,000 per year.**

**Very truly yours,**
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

**CONFIRMED:**
**/s/ David R. McCall**
**David R. McCall**
**Co-Chairman-Negotiating Committee**

## APPENDIX P

**I. National Policy For Steel Agreement**

The Basic Steel Industry, despite its current profitability, has not fully recovered from the severe financial losses of recent years. It remains an industry in transition. Building upon the parties' Steel Crisis Action Agreement dated January 29, 1986, and recognizing the need to continue to deal with the problems facing the industry, the United Steelworkers of America and LTV Steel Company (hereinafter the Company) agree to establish a National Policy for Steel Committee to develop and support both traditional and innovative means to create an environment in which the domestic steel industry may

achieve sustained profitability and help ensure the well-being of employees, customers, shareholders, suppliers and the steel communities.

The Committee will be chaired by Messrs. **Peter Kelly** and George Becker. Successful implementation of its objective will require an integrated approach to numerous problems facing the American economy. In attempting to meet its objective and achieve such integration, the Committee will focus on the following areas:

– the development and implementation of a national trade policy;

– the consideration of and possible development of an appropriate national health policy;

– recognition of the critical need to restore America's infrastructure and industrial base;

– development of a national fiscal and monetary policy;

– institution of a sound environmental policy which recognizes the interrelationship between the need to protect our environment and the essential need for a healthy economy to assure an acceptable standard of living for our citizens;

– the establishment of a Steel Tripartite Committee to coordinate the responses of government, Industry, and labor to problems facing the steel Industry; and

– the consideration of public policies supporting the ability of the steel Industry to meet its obligations for the legacy costs of pensions and retiree health Insurance.

Within each of these critical areas, the Committee will:

National Trade Policy

– Promote strict enforcement by the Executive Branch of all existing trade laws, including the imposition of sanctions pursuant to §301, and support the enactment of legislation and other

programs dealing with indirect steel imports.

National Health Policy

– Seek to develop and support an appropriate national health policy which will assure essential care to all citizens, control health care costs and equitably distribute those costs across the various sectors of the economy.

Industrial Infrastructure

– Encourage public awareness of the need to rebuild America's industrial base through the repair and reconstruction of the nation's infrastructure, including bridges, highways and other essential facilities utilizing American made products.

Fiscal & Monetary Policy

– Work towards an overall national monetary policy which will address the need to reduce both the national debt and the trade deficit, control inflation and interest rates and encourage individual saving.

Environment

– Support responsible legislation and enforcement activities to protect and preserve the world's resources in a manner consistent with continuing a healthy and growing economy.

Steel Tripartite Committee

– Urge the Administration to establish a Steel Tripartite Committee uniting labor, industry, and government in improving the competitiveness of the steel industry in areas such as trade, technology, health care, training, etc.

Legacy Costs

– In recognition that our retirement system imposes costs on American companies well above those faced by our international competitors, seek to develop public policies supporting the ability of steel companies to meet benefit obligations.

In furtherance of these endeavors, the Committee will draw upon existing legislative, employee and community groups, expand their public information programs and take the initiative in formulating and advancing viable solutions. LTV and the Union have a shared interest in achieving these goals and reaffirming their commitment to work diligently to achieve them during this Agreement.

**II. LETTER AGREEMENT ON STANDUP FOR STEEL**

**August 1, 1999**

**Mr. David R. McCall**
**Co-Chairman-Negotiating Committee**
**United Steelworkers of America**
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**

**Dear Mr. McCall:**

**Over the years, LTV Steel ("the Company") and the United Steelworkers of America ("the Union") have often worked together on matters affecting the domestic steel industry and to further their joint objectives on those matters.**

**Beginning with the 1994 National Policy for Steel Agreement, the parties have expanded their efforts to include not only international trade but also enhancing economic development, insuring sound national fiscal and monetary policies, environmental policies and supporting appropriate national health care policies.**

**Additionally, the parties recognized the need to understand the long-term trends in the steel industry and develop strategies to deal with them. To that end, the parties formed the Steel Industry Strategic Study Committee as an industry-wide labor management coop-**

eration committee within the meaning of the Labor Management Cooperation Act of 1978. The Committee, comprised of senior leadership from the Union and leading steel companies, has as its purpose addressing competitive trends and other challenges to the long-term viability of the steel industry and long-term security for its workforce.

Most recently, the Company, the Union and other steel companies conducted a cooperative and focused effort, called Stand Up For Steel, to draw attention to the serious injury being caused to our industry by unfairly traded steel imports flooding into our market. While we have worked together on many occasions on this issue, no effort has been as well organized and as effective as the recent efforts conducted under the banner of Stand Up For Steel. That campaign, to put it mildly, has been extraordinarily successful.

When we began this effort, many believed that we could do very little to stop the flood of imports. By November of last year imports consumed almost 50% of our market, and there seemed no limit to the damage that would be done.

But through the Union's and the Company's leadership, and the active involvement of a number of other steel companies, we have caused our nation's leaders to address the situation. And our efforts are paying off. The Stand Up For Steel campaign has played a dramatic role in helping our nation's leaders, our customers and suppliers and the general public to better understand the severity of the situation. The campaign has also been effective in advancing legislative and other actions to restore fair trade in

steel.

The crisis is not over, far form it. While it is true that overall import levels in the first quarter of this year were below the record levels reached in the third and fourth quarters of 1998, imports from a number of key steel producing countries are still dramatically above their pre-crisis level and causing very serious injury.

And we must recognize that whatever the outcome of the current campaign, our industry remains extremely vulnerable to a future of unfair trade and governmental leaders with views adverse to our industry.

However, one thing has been proven beyond doubt. America's Steelworkers and steel companies have a sound and effective voice in Washington and state capitols around the nation. And the entire American steel industry is better of because of it.

All segments of our industry - carbon and stainless, flat rolled and long products, as well as iron ore and other raw material suppliers - remain extremely vulnerable to unfairly traded steel entering the U.S. market. The success of the Stand Up For Steel experience clearly demonstrates the value of joint activity and the parties are committed to continuing to work together and to expend the necessary manpower and funds to achieve their joint goals.

Toward that end, the parties agree to form a new organization, called Stand Up For Steel ("SUFS") to consolidate the efforts that currently are undertaken under the National Policy for Steel Agreement and the Steel Industry Strategic Study.

We agree that SUFS will serve as a focal

point of our joint activities in combating unfair trade in steel and related products, and other subjects as agreed to by the parties. The parties will continue to pursue other activities separately as appropriate, and the funding and structure contemplated herein shall not be applicable to litigation to enforce the nation's trade laws.

We further agree to the following:

1. SUFS will be financed by a credit in the amount of $.075 per ton shipped commencing with the month of August, 1999, plus any remaining accrued contribution from the 1994 Steel Industry Strategic Study. The parties will develop a report form to track accrued obligations and expenditures on a regular basis.
2. The new organization will have a Governing Board consisting of an equal number of Union and Company representatives. The Board will be co-chaired by the USWA International President and a CEO selected by the participating Companies.
3. The parties will jointly recruit all American steel (carbon and stainless) and iron ore companies and others to join the organization under the terms described herein. The Company agrees to work with the other participating companies so that the company representatives on the Governing Board will represent the interest of all participating companies.
4. All activities conducted under the banner of Stand Up For Steel shall be approved by the Governing Board.

**Very truly yours,**
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

**CONFIRMED:**
**/s/ David R. McCall**
**David R. McCall**
**Co-Chairman-Negotiating Committee**

## APPENDIX Q
## LETTER AGREEMENT ON IJOP

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

This will confirm the understanding between the Company and the Union that beginning **August 1, 1999**, and continuing for the remaining term of the **1999** Basic Labor Agreement only the requirement set forth in Section XIII-M-1 that an otherwise eligible employee be continuously on layoff for sixty (60) days or more shall be waived.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
/s/ **David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

# APPENDIX R

## LETTER AGREEMENT ON WORKPLACE HARASSMENT AWARENESS AND PREVENTION

August 1, 1999

Mr. David R. McCall
Co-Chairman-Negotiating Committee
United Steelworkers of America
777 Dearborn Park Lane, Suite J
Columbus, OH 43085

Dear Mr. McCall:

This will confirm our agreement, reached during the negotiation of the 1999 Labor Agreement, concerning Workplace Harassment Awareness and Prevention.

The Company and the Union recognize that every employee has a right to a work environment free of harassment or intimidation on the basis of any of the categories listed in the nondiscrimination provision of Subsection IV-7. The parties understand that harassment can have a detrimental impact on individual employees, generate a hostile working environment and adversely affect the ability of the workforce to function in a cooperative and productive manner. One of the best means of addressing these issues is through awareness and education, which can prevent problems before they occur, by ensuring that all employees know and understand what constitutes impermissible harassment and know how to prevent it.

Accordingly, the parties agree to educate all employees at all facilities in the area of harassment awareness and prevention on a periodic basis, as agreed to be appropriate by the local parties.

A representative of the USWA Civil Rights Department and a representative designated by the Company's Industrial Relations Department will work together to develop harassment and prevention education, with input from the Plants and local Unions.

Within six (6) months of the effective date of this agreement, appropriate personnel at each Plant will then be trained as trainers, with input from the Joint Committee on Civil Rights.

Within one (1) year of the completion of the local trainers' training, the following training for all plant employees will be implemented.

1. To effectively address the issue of harassment and its detrimental impact on individual employees and the workforce, all employees will be scheduled to receive one (1) to (2) hours of training as to what harassment is, why it is unacceptable conduct, its consequences for th harasser and what steps can be taken to prevent it.
2. The local union president, vice president, grievance committee persons, assistant grievance committee persons and civil rights committee members will be scheduled for additional training dealing with their obligations in regard to harassment, including such things as early recognition of harassment, how to resolve such issues and how to promote a harassment-free environment. The additional training will be scheduled at a time mutually agreed to between the local union president(s) and the Manager of Labor Relations.

All bargaining unit employees shall be compensated for time spent attending these sessions in accordance with established local practices.

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager
Employee Relations and
Industrial Engineering

CONFIRMED:
/s/ David R. McCall
David R. McCall
Co-Chairman-Negotiating Committee

# APPENDIX R-1

## LETTER AGREEMENT ON WORKPLACE HARASSMENT AWARENESS AND PREVENTION

August 1, 1999

Mr. David R. McCall
Co-Chairman-Negotiating Committee
United Steelworkers of America
777 Dearborn Park Lane, Suite J
Columbus, OH 43085

Dear Mr. McCall:

This will confirm our agreement, reached during the negotiation of the 1999 Labor Agreement, concerning Workplace Harassment Awareness and Prevention.

In developing the Workplace and Harassment Awareness and Prevention Training Program, the parties agreed that all employees would be scheduled for a one to two hour training session. This will confirm our understanding that the International Union Representative and the Company Representative identified in that agreement may, by mutual agreement, extend the length of that training session beyond one to two hours.

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager
Employee Relations and
Industrial Engineering

CONFIRMED:
/s/ David R. McCall
David R. McCall
Co-Chairman-Negotiating Committee

# APPENDIX S

## COMPANY / UNION LETTER OF AGREEMENT ON LEAVE OF ABSENCE POLICY FOR INTERNATIONAL UNION EMPLOYEES

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**

**Dear Mr. McCall:**

The subject of Company leaves of absence for employees who leave their employment with the Company to become employees or elected officials of the International Union was discussed by the parties during the negotiations.

**1.** As a result of that discussion the parties have reached the following agreement modifying the provisions of Subsection XIII-J with respect to any person who

**(a)** First becomes an Officer or Director of the International Union after April 15, 1990, or

**(b)** Becomes an employee of the International Union and whose probationary period expires on or after April 15, 1990.

**(c)** Was an Officer or Director or employee of the International Union prior to April 15,1990 but was not as of that date accruing service for Company pension purposes (for time spent as an Officer, Director or employee of the International Union) pursuant to a valid agreement providing for such accrual.

**2.** An individual described in paragraph 1 shall be granted a leave of absence from the Company concurrent with the period of his permanent employment with the International Union.

**3.** Once an individual described in paragraph 1 is made a permanent employee of the International Union (by completing his probationary period) that person shall, from that point forward and while he retains his leave of absence status with the Company, not receive any service credit for Company pension purposes.

**4.** Such person shall accumulate continuous service for purposes of recall to employment and for all other purposes under the Labor Agreement, except pensions, provided that he shall not be entitled to receive any contractual benefits during the period of his leave of absence or receive retiree health care benefits from the Company if he is eligible for coverage in the *International Union health care plan for retirees.*

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
/s/ **David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

# APPENDIX T

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

This will confirm our understanding that at Cleveland Works the "eighty-five (85) percent" of Section X-B-(3) of the **1999** Labor Agreement shall apply to each of the following as though each were the "Works":

1. Employees represented by Local 185 Cleveland.
2. Employees represented by Local 188 Cleveland.
3. **Employees represented by Local 1098 Cleveland.**
4. **Employees represented by Local 1157 Cleveland.**
5. **Employees represented by Local 2265 Cleveland.**

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

## APPENDIX U

**August 1, 1999**

**David R. McCall**
-Chairman-Negotiating Committee
ited Steelworkers of America
**7 Dearborn Park Lane, Suite J**
**lumbus, OH 43085**

**ar Mr. McCall:**

The purpose of this letter is to record and con-
n the understanding reached in connection
h the negotiations of the **1999** Basic Labor
reement with respect to vacation benefits for
nployees who enter the Armed Forces of the
ited States.

An employee who in any year enters upon
tive duty in the Armed Forces of the United
ates who has completed more than one year of
ntinuous service shall be paid on February 15
the next calendar year immediately following
y vacation benefits to which he would have
en entitled and otherwise would have been
id by having met, in the prior calendar year, the
gibility requirements of Subsection XII-B of the
**99** Labor Agreement; an employee who in any
ar enters upon active duty in the Armed Forces
the United States who has not completed one
ar of continuous service shall be granted, upon
mpleting one year of continuous service, any
cation benefits to which he otherwise would
ve been entitled by reason of his length of con-
uous service, provided he meets the eligibility
quirements set forth in Subsection XII-B of the
**99** Labor Agreement.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

## APPENDIX V

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

The purpose of this letter is to record and confirm the understandings reached in connection with the negotiation of the **1999** Basic Labor Agreement with respect to the administration of Subsection XIII-C-3-d, marginal paragraph 13.16.

**1.** The receipt of sickness and accident insurance benefit checks meets the test of "... a satisfactory excuse for not so reporting."

Upon discontinuance of receipt of sickness and accident benefit checks, an employee's obligation to report under marginal paragraph 13.16 becomes effective as of the date the Company mails him notice of discontinuance or termination of sickness and accident benefit checks.

The Company will, on the twentieth day following the date the employee was mailed a notice of discontinuance or termination of sickness and accident benefit checks, give him written notice that if he fails to report his status or to return to work within ten days his continuous service will be broken.

**2.** When an employee is absent due to sickness and has so reported his status, the Company will, on the twentieth day following the date the absence commenced, give him written notice that if he fails to report his status or to return to work within ten days from the date of written notice, his continuous service will be broken.

**3.** The written notice given by the Company under either Paragraph 1 or 2 above will also inform the employee that if he continues to be absent due to sickness, he will thereafter be subject to the provisions of Subsection XIII-C-3-d, marginal paragraph 13.16, and must periodically (every thirty days) report his status to the Company to avoid a break in continuous service.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

## APPENDIX W

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

In accordance with the understanding reached during the negotiation of the **1999** Basic Labor Agreement, the Company agrees that in any grievance filed with respect to the second sentence of Subsection XIV-B, (Marginal Paragraph 14.8) if appealed to arbitration, the arbitrator may decide the issue of "necessary and required," without regard to J&L arbitration precedents concerning "practices now prevailing."

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

## APPENDIX X

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

This is to confirm our understanding reached in connection with the negotiation of the **1999** Basic Labor Agreement with respect to the processing of insurance grievances filed under Section XIX of the Labor Agreement.

For an experimental period consisting of the term of the **1999** Labor Agreement, grievances concerning insurance matters which have been filed and processed under the terms of Section XIX of the Labor Agreement shall, if appealed to the Board of Arbitration, be accorded preferred handling by the Parties.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
/s/ **David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

## APPENDIX Y

**August 1, 1999**

***Mr. David R. McCall***
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

The purpose of this letter is to confirm the understanding reached in connection with the negotiation of the 1999 labor agreements between the Company and the United Steelworkers of America regarding matters of local plant level concern.

In order to promote full discussion between the parties, it is agreed that the proposals made by each party in connection with matters of local plant level concern and the discussions had with respect thereto shall not be used, or referred to in any way during or in connection with the arbitration of any grievance arising under the provisions of the applicable basic labor agreements.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
***General Manager***
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
/s/ **David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

# APPENDIX Y-1

August 1, 1999

Mr. David R. McCall
Co-Chairman-Negotiating Committee
United Steelworkers of America
777 Dearborn Park Lane, Suite J
Columbus, OH 43085

Dear Mr. McCall:

This letter is to confirm our understanding that there should be ongoing discussions regarding situations that are considered to be local plant problems by plant management or the local union president.

Therefore, during the term of the Labor Agreement (Production and Maintenance Employees), dated August 1, 1999, the local parties will discuss problem situations raised by each other. If these problems cannot be satisfactorily resolved at the plant level, either local party may refer such matter to the Union Co-Chairman of the LTV Steel negotiating Committee and the General Manager - Employee Relations and Industrial Engineering for their further consideration.

The local plant problem situations referred to above do not include any subject matter which has been is now, or may be subject to the grievance procedure set forth in Section VI of the Labor Agreement, dated August 1, 1999, or its predecessors.

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager
Employee Relations and
Industrial Engineering

**CONFIRMED:**
**/s/ David R. McCall**
**David R. McCall**
**Co-Chairman-Negotiating Committee**

## APPENDIX Z

### MEMORANDUM OF UNDERSTANDING ON OVERTIME MATTERS

The parties by this memorandum are creating a mechanism intended to reduce the amount of overtime and increase the opportunity for the recall of laid-off employees. Under the terms of the Interim Progress Agreement dated January 31, 1986, the parties created the Joint Overtime Committee to review the extent and reasons for overtime usage and the potential for assignment of recalled employees in place of overtime. 145 employees have been and are being recalled as a result of the overtime avoidance triggered by the January 31, 1986 Agreement. The results of this committee review revealed that while many instances of both scheduled and unscheduled overtime were unavoidable, there were situations of overtime usage in many plants that could be avoided through the use of recalled employees. The parties believe that even greater opportunities for overtime avoidance exist. Recognizing that the extent and reasons for overtime usage vary from plant to plant, the parties have reached the following understandings regarding overtime avoidance.

**1.** The Company will prepare for each plant a monthly report which shall include the total number of overtime hours worked during the month and the reasons for overtime worked. Such reports shall be furnished by Local Plant

Management to the Local Union or Local Unions as early in the month as practicable and to the Overtime Review Commission established herein. The report shall be in the same detail as on the attached form.

**2.** Within 60 days of the effective date of this understanding, representatives of Local Plant Management and the Local Union or Unions will meet at each plant to review in detail their current and projected overtime usage and the reasons for same, and will identify situations where employees could be recalled in place of overtime. The local parties should particularly consider whether an adequate number of employees are available in pool jobs to replace employees who are absent, on vacation, or on sick leave, and to deal with unusually high production situations. These parties should also consider the elimination of restrictive practices and agreements which could have the effect of reducing overtime through the use of recalled or other available employees. The local parties shall thereafter jointly submit a written report to the Overtime Review Commission, hereinafter established, that sets forth (i) the number of employees to be recalled in place of overtime and (ii) those situations where the parties disagree on recall along with the reasons for such disagreement. Good-faith efforts by the parties should minimize the number of disagreements, however, where they do occur, they shall be resolved promptly through procedures established by the Overtime Review Commission.

**3.** After the completion of the initial overtime review referred to above, the local parties will meet on a quarterly basis (or more frequently as circumstances may require) to review projected overtime usage and to develop joint recommen-

dations, where appropriate, for reduction in such usage.

4. Commencing with the quarterly meeting of the local parties six months after the completion of the initial overtime review, they shall compare the percentage of overtime hours (which shall be the calculation of total overtime hours worked expressed as a percentage of the total hours worked) for the immediately preceding quarter to the percentage of overtime hours for the four quarters preceding it. The parties shall conduct a review of the reasons for overtime usage during that period. If it is determined that the percentage of overtime hours in the quarter has not been reduced because overtime was used which could have reasonably been replaced by recall of employees and where it is expected that such overtime will continue, then the parties shall consider a method of replacing such overtime including by recall of laid-off employees or transfer of IJOP applicants where appropriate. Should a disagreement occur as to whether or not such overtime hours could have been reasonably replaced by a recalled employee, it shall be reported to and resolved promptly through procedures established with the Overtime Review Commission.

5. The Company and the International Union shall each designate a representative to serve as Co-Chairman of the Overtime Review Commission. Such commission shall have the following responsibilities:

a. It will prepare and provide to the Co-Chairmen of the Negotiating Committee a report on the initial plant overtime review meetings setting forth the number of employees recalled in place of overtime at each plant.

b. It will, during the term of the

Agreement, monitor overtime usage at the various plants and provide, where appropriate, recommendations for overtime reduction.

**c.** Should any disagreement occur at one of the plants between the local parties in their efforts to carry out their responsibilities in 2. and 4. above, the commission shall promptly meet with the Plant Manager and the involved Local Union President or Presidents along with other local representatives the commission believes necessary for the purpose of reviewing the facts of the disagreement and facilitating a resolution. In the event the commission is not able to facilitate a resolution by the local parties, the commission may resolve the matter through agreement of both members. If agreement is not reached, the disagreement shall be promptly referred to the Co-Chairmen of the Negotiating Committee for resolution as they deem appropriate, which may include earnings and benefits for employees who should have been recalled or transferred under the intent of this Agreement.

**LTV STEEL**
***Overtime Report***

Plant _____

Month _____

| SCHEDULED OVERTIME | OVERTIME HOURS |
|---|---|
| - Vacation Replacement | _____ |
| - Extended Sick Leave | _____ |
| - High Operating Level | _____ |
| - All Other | _____ |
| - TOTAL Scheduled Overtime | _____ |

| UNSCHEDULED OVERTIME | |
|---|---|
| - Absenteeism | _____ |
| - Break-Downs | _____ |
| - All Other | _____ |
| - TOTAL Unscheduled Overtime | _____ |
| TOTAL Overtime Hours | _____ |
| TOTAL Hours Worked | _____ |
| PERCENT Overtime Hours | _____% |

# APPENDIX Z-1

## LETTER AGREEMENT ON OVERTIME MEAL ALLOWANCE PAYMENT

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

This will confirm our understanding reached during the negotiations of the **1999** Labor Agreement. For the term of this agreement the following conditions shall apply to overtime meal allowance:

> Effective **August 1, 1999**, when an employee is notified during his work shift that he must work overtime at the end of that shift and such overtime continues beyond the fourth (4th) hour, he will be paid a meal allowance of $5.00.
>
> To the extent that any department in the plant has a practice dealing with overtime meal arrangements or meal allowances, or both, which the local unions determine is in excess of the foregoing, they may elect to keep such practice in effect in that department in lieu of the foregoing.

It is further understood that effective **August 1, 1999** the payment of overtime meal allowance shall be made in the regular payroll checks to employees, inasmuch as such payments are now subject to taxes.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
***David R. McCall***
Co-Chairman-Negotiating Committee

## APPENDIX AA

### MEMORANDUM OF UNDERSTANDING ON MEDICAL SURVEILLANCE

**1)** The parties agree to cooperate in achieving maximum participation in existing medical surveillance programs by employees currently eligible for such programs.

**2)** The Company agrees that an annual blood test (CBC hemoglobin differential including platelets) will be provided by the Company on Company time to the incumbents of jobs in the By Products Areas of the Coke Plants.

**3)** The Company agrees to assist the Union in any efforts to secure outside funding for the purpose of establishing and/or maintaining additional medical surveillance programs.

# APPENDIX BB

## LETTER AGREEMENT ON UNION'S ROLE IN NEGOTIATION OF BENEFITS

August 1, 1999

Mr. David R. McCall
Co-Chairman-Negotiating Committee
United Steelworkers of America
777 Dearborn Park Lane, Suite J
Columbus, OH 43085

Dear Mr. McCall:

This letter will confirm the understanding reached during our 1999 negotiations.

During bargaining, the Union raised a matter concerning the administration of a number of our negotiated wage and benefit programs. Specifically, the Union noted that most such programs lack any established practice by which bargaining unit members are informed, at the time of payment, that such benefits were the result of negotiation between the Company and the Union. In recognition of the Union's role in achieving the goals of the enterprise, the Company agrees to adopt such a practice in the manner detailed in this letter.

This understanding shall apply to payments separately made by the Company of the following: profit sharing payment; gain sharing payments; retroactivity payments made pursuant to wage increases; lump sum payments; Inflation Recognition Payments; severance payments; special payments under the pension plan ("Separate Payments") as well as any special communication from the Company to bargaining unit employees which discusses most or all of their wage and benefit package.

In the case of a Separate Payment, upon Union request, the following text shall be included:

"This [Identify the particular payment] is being made pursuant to a contract negotiated on your behalf by your Union, the Untied Steelworkers of America."

In the case of a special communication by the Company discussing employee wages and benefits as described above, the Company will include the following text upon Union request:

"Your wages and benefits are negotiated on your behalf by your Union, the United Steelworkers of America. LTV Steel Company and the Steelworkers have a constructive relationship built on trust, integrity and mutual respect."

The Understandings set forth in this letter shall become effective January 1, 2000.

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager
Employee Relations and
Industrial Engineering

CONFIRMED:
/s/ David R. McCall
David R. McCall
Co-Chairman-Negotiating Committee

# APPENDIX CC

## MEMORANDUM OF UNDERSTANDING ON NEW WORK SYSTEMS

The parties recognize that in order to achieve world competitive status, we must develop high performance organizations. New Work Systems are essential to achieving this end. A competitive organization with a high performing system will maximize employment security. Accordingly, the following understanding has been agreed upon regarding Appendix CC, Memorandum of Understanding On An Employment Security Task Force of the of the 1986 Labor Agreement which is hereby incorporated by reference. Because of the Company's petitioning for reorganization under Chapter 11 of the Bankruptcy Code, the parties have not been able to implement Appendix CC. The Joint Committee established under this Memorandum of Understanding will fulfill this responsibility.

It has been determined that New Work Systems are not only feasible but desirable and necessary. We, therefore, have begun a process to implement New Work Systems. We are jointly committed to implementing New Work Systems that embody the following values:

Trust
Individual Dignity/Respect
Quality
Productivity
Involvement
Flexibility/Adaptability
Cooperation
Recognition
Growth & Development
Openness

Customer Service
Continuous Improvement
Security

Furthermore, the following behaviors are practiced in the New Work Systems:

Responsibility
Self-Regulation
Adaptability/Flexibility/Responsiveness
Participation/Involvement
Opportunity/Growth/Development
Respect
High Performance
Group Effort/Mutuality
Customer Focus
Problem-Solving
Information-Sharing
Socio-Technical Fit
Job Knowledge/Skills
Expanded Roles
Shared Rewards

The parties agree that New Work Systems require system-wide and systemic change. Implementation of New Work Systems is a long-term process of assessing and planning change, trying it, learning from it, improving it, and diffusing it. A Joint Committee has been established and is responsible for establishing the procedures and guidelines for the development and implementation of New Work Systems within the Company. The Joint Committee shall also be responsible for assessing the progress of the plants in instituting these New Work Systems. A New Work System for a specific plant will be jointly developed by the local parties. The Joint Committee, with the approval of the Co-Chairmen of the Negotiating Committee, shall be

responsible for approving the development and/or implementation of any New Work Systems.

The New Work System will be implemented by the local parties following their agreement to adopt such systems on an experimental basis for no less than one year after they become operational.

## MEMORANDUM OF UNDERSTANDING ON AN EMPLOYMENT SECURITY TASK FORCE

The following understanding has been agreed upon regarding an Employment Security Task Force.

The parties recognize the attainment of employment security is a concern of every employee in our current business climate. This Labor Agreement (hereinafter referred to as Agreement) deals with employment security by assisting in making LTV Steel a viable company with a skilled and efficient work force, producing quality products at competitive costs. It is the parties' view that a joint approach that gives employees and supervisors at the work site a greater opportunity to make decisions and solve problems and to participate in a non-traditional work-life system can lead to further improving employment security.

To explore the possibilities of jointly implementing such a system on a pilot basis, a joint Task Force on Employment Security, consisting of not less than three representatives from the Union and three representatives of the Company, shall be appointed by the Co-Chairmen of the LTV Steel Negotiating Committee. The Task Force shall study various non-traditional work-life systems and be charged with the responsibility of

recommending to the Co-Chairmen the feasibility of implementing the elements of any such system in any of the plants or units of the Company covered by this Agreement. If such systems are determined to be feasible, the Task Force shall educate the parties about such systems, suggest criteria for selection of a pilot location(s) and shall suggest methods for implementation.

The parties recognize that implementation must be strictly voluntary on the part of the employees and management of a potential location(s) and any system must be jointly developed. Notwithstanding the above, implementation at any of the plants covered by this Agreement shall include wages and benefits equivalent to this Agreement and a displaced employee program to include, although not limited to, natural attrition, employment opportunities provided in other provisions of this Agreement, special termination payment and mutual pensions. There are other elements that should be evaluated such as: employment guarantees; determining the size of the work force for employment guarantees; income guarantees; the effect such guarantees may have on the Company wide SUB Plan; open participation and communication; employees working with customers; a pay system based on knowledge; a profit or gainsharing plan with incentive protection; continuous training; maximum flexibility in jobs and scheduling; and the lowest level consensus to resolve complaints with an appeal procedure.

The Task Force shall be required to report its recommendations and findings to the Co-Chairmen within six months of the date of this Agreement or at any other time that is set by the Co-Chairmen.

# APPENDIX DD

## MEMORANDUM OF UNDERSTANDING ON TRADE OR CRAFT SKILLS TRAINING AND APPRENTICESHIP

The Company and the International Union agree to each designate up to two (2) headquarters representatives to serve as a Special Trade or Craft and Apprenticeship Review Committee in relation to the workings of the apprenticeship program at each of the plants of the Company represented by the Union and such other matters involving Trade or Craft jobs as the Co-Chairmen of the Negotiating Committee may designate. Such Committee will have the initial responsibility of recommending to the Co-Chairmen of the Negotiating Committee concerning the following:

**a.** The parties recognize that certain Apprentices are presently in layoff status or are working on pool jobs and have been unable to complete their training. However, the recall of laid-off Trade or Craft employees and the bidding of future Trade or Craft vacancies through cross training of existing Trade or Craft employees is a higher priority. To this end, the Committee will determine if outside funds may be available from other sources such as for outplacement training, and attempt to divert a portion of those funds to present Apprentices so that they might complete their training.

**b.** The parties anticipate that the retrieval of presently contracted out work and the utilization of the combined and/or expanded Trade or Craft concepts will generate a need for skills training and eventually new Apprenticeship Programs. The Committee shall develop recommendations concerning new Apprenticeship Programs that address the training and skills requirements of

the combined crafts and/or expanded craft occupations rather than the numerous fragmented Apprenticeship Programs presently in existence.

## APPENDIX DD-1

## MEMORANDUM OF UNDERSTANDING ON THE REVITALIZATION OF TRADE AND CRAFT TRAINING

The parties are committed to the establishment and preservation of a highly skilled, efficient maintenance workforce in sufficient number to carry out a successful maintenance program at the plants covered by the Basic Labor Agreement. It is also their purpose to accomplish the foregoing as much as possible with bargaining unit employees and without excessive overtime. Therefore, with respect to the Indiana Harbor, Cleveland, Hennepin, Aliquippa, Warren Coke and Chicago Coke Works and the LTV Steel Mine the following shall apply:

**A. Maintenance Plan Committee**

Within three (3) months of the effective date of the Basic Labor Agreement, the local parties at the above identified locations will establish a plant-level Joint Maintenance Plan Committee ("JMPC"), made up of three (3) representatives designated by the Local Union, at least two (2) of whom shall be experienced plant maintenance employees, and an equal number of representatives designated by the company, at least two (2) of whom shall be experienced in maintenance supervision or maintenance management. The JMPC will meet regularly and will receive required technical assistance from appropriate Company or Union resources.

**B. Study of Maintenance Workforce**

The Committee will be responsible for examining the present maintenance workforce, considering such future changes in maintenance requirements that can be identified, and developing the specific information described below:

1. determine the number of maintenance employees in each trade or craft, whether Assigned Maintenance or Central Maintenance;
2. develop an age profile for all craft employees;
3. assess the anticipated attrition rates for the maintenance workforce over the next five (5) years;
4. assess the availability of employees in the plant's workforce who are qualified to enter craft training programs;
5. identify potential avenues by which employees can receive basic education training to qualify for craft training programs;
6. evaluate the appropriateness of existing and new craft training programs, and the necessity of developing additional craft training programs, giving due consideration to changing technology and future skill needs. Recommend changes to standards, type, and length of training as appropriate;
7. examine current craft overtime levels and assess whether certain crafts are working excessive overtime;
8. examine methods by which productivity can be improved through additional training of craft employees;
9. examine the plant's projected new construction, replacement, and rehabilitation programs during the next five years, recognizing that such programs are susceptible to termi-

nation, modification, and scheduling change, and assess potential craft involvement in such work;

10. to the extent practicable and relevant, assess the maintenance practices and the maintenance training practices at the plant under this review, versus those of other steel producers represented by the Union;
11. assess the level of plant trade and craft forces necessary to meet reasonably anticipated long-term future maintenance needs, bearing in mind all the above items.

The Study will commence immediately upon the establishment of the Committee.

C. Maintenance Training Plan

Within six (6) months from the date of its establishment, the JMPC will submit a report to the Chairmen of the Negotiating Committee, setting forth its findings with respect to the matters set forth in Section B. In addition, the JMPC will develop a recommendation for implementation of a Maintenance Training Plan ("MTP") designed to fill anticipated maintenance needs. The recommended MTP will include an implementation date, the minimum number of employees to be trained or retrained in each trade or craft within a defined period, the method of training, and provisions for upgrading the skills of incumbent trade or craft employees. In developing the MTP, the following guidelines/goals shall apply:

1. provide sufficient numbers of trained trade and craft employees to meet reasonably anticipated attrition and long-term future maintenance needs, without the use of excessive overtime, and in accordance with the contracting out provisions of the Basic Labor Agreement.

2. make every reasonable effort to draw qualifiable trainees for trade and craft occupations from the ranks of the current workforce.
3. complete training as quickly as feasible, consistent with the actual requirements of the trade or craft job, as determined by the Committee, and giving due consideration to the cost of such training.

The JMPC report will include separate statements by the parties with respect to any finding or recommendation to which they disagree.

**D. Action by the Negotiating Committee Chairmen or Their Designees**

Within sixty (60) days of receipt of the report submitted by the JMPC, the Chairmen of the Negotiating Committee may: (1) approve an agreed-upon MTP submitted by the parties; (2) modify any MTP as they may mutually agree; or (3) disagree, in whole or in part, with respect to any recommendations contained in a submitted MTP. With respect to any MTP components as to which the Chairmen disagree, the dispute will be promptly referred to Arbitrator Shyam Das, pursuant to procedures to be agreed upon by the Chairmen of the Negotiating Committee. The dispute will be resolved on the basis of a "final offer" submission by the parties at a hearing. The Arbitrator will determine which of the submissions best meets the guidelines and goals spelled out in Section C of this Memorandum of Understanding. The Arbitrator shall have the power to determine the procedures pursuant to which the hearing is conducted.

**E. Preservation of Plan**

Except where the training or continued train-

ing of additional trade and craft employees is no longer justified due to changed conditions such as depressed economic periods and/or facility shutdowns, the MTP shall not be discontinued during the term of the Basic Labor Agreement.

## APPENDIX DD-2

### LETTER AGREEMENT ON RENEWAL OF COMMITMENT TO REVITALIZATION OF TRADE AND CRAFT TRAINING AND PRE-TRADE AND CRAFT TRAINING PROGRAMS

August 1, 1999

Mr. David R. McCall
Co-Chairman-Negotiating Committee
United Steelworkers of America
777 Dearborn Park Lane, Suite J
Columbus, OH 43085

Dear Mr. McCall:

This letter will confirm the understandings reached during the negotiation of the 1999 collective bargaining agreement concerning trade and craft training.

A. Renewal Of Commitment To Revitalization Of Trade And Craft Training

The local parties hereby renew their commitment to the revitalization of trade and craft training. Within thirty (30) days following the effective date of this agreement, the local parties at the Indiana Harbor, Cleveland, Hennepin, Aliquippa, Warren Coke and Chicago Coke Works and the LTV Steel Mine shall meet to discuss whether to continue or modify their existing arrangements concerning trade and craft training for the life of the current agreement or, instead, to undertake

the process set forth in Appendix DD-1. Should the existing or modified arrangements address ongoing maintenance needs expected during the life of this Agreement, the parties may, with the written approval of the President of the Local Union and the Chairman of the Union Negotiating Committee, approve such arrangements. Should the existing arrangements not be explicitly continued or modified, the parties shall undertake the process set forth in Appendix DD-1.

B. Pre-Trade And Craft Training Programs
Regardless of the outcome of the discussions held pursuant to A., above, the following program shall be installed at the Indiana Harbor, Cleveland, Hennepin, Aliquippa, Warren Coke and Chicago Coke Works and the LTV Steel Mine plants of the Company effective January 1, 2000:

1. To ensure that non-trade and craft bargaining unit employees have a reasonable opportunity to take advantage of trade and craft training programs, pre-trade and craft training programs ("PTCT Programs") will be made available. These PTCT Programs will provide employees with the opportunity to acquire the skills and knowledge necessary to qualify for the trade and craft training programs that exist or as may be developed. These programs will meet the following minimum criteria:
   a) entrance to the PTCT programs will be determined by a plant-wide posting and selection process conducted in the same manner as that described in

Section XIII-O-3 of the Basic Labor Agreement. No incumbency rights will be gained or lost solely as a result of participation in a PTCT Program;

b) employees selected in accordance with a), above, will, as a condition of entrance to a PTCT Program, be required to demonstrate that they possess the reading comprehension, writing, and mathematics skills necessary to absorb the particular training to be offered. Such demonstration may be in the form of tests developed and administered by the Company in accordance with Appendix F of the Basic Labor Agreement.

c) while the length of participation in a PTCT Program will vary based on the individual needs of the employee and the nature of the particular PTCT Program, employees will be afforded up to 400 hours of training if needed;

d) after an employee enters a PTCT Program, progress will be periodically evaluated and the employee must demonstrate continuous progress in order to remain in the PTCT Program. No employee in a PTCT Program will be removed from that PTCT Program before being notified of any deficiency, given an opportunity for remedial training to overcome such deficiency, and provided a second opportunity to meet program requirements. Time taken for such remedial training will be included in the 400 hours described in paragraph B-1-c above.

e) time spent by employees in PTCT

Program training will be on Company time and paid for at the standard hourly wage rate of Job Class 6. Up to fifty percent of the OCTF funds generated at any plant (and any available governmental or other training funds) may be allocated to reimburse the Company for such PTCT Programs at that plant, including amounts paid employees pursuant to this sub-paragraph e.

2. Commencing with calendar year 2000, the Company will provide opportunities for entrance into PTCT Programs at the rate of 30 employees per full calendar year. The opportunities will be pro-rated among the above specified plants of the company based upon the future needs for trade and craft employees at each plant as determined by the Maintenance Training Plan or as otherwise agreed upon by the Chairmen of the Union and Company Negotiating Committees.
3. Should the parties dispute the content or design of the pre-trade and craft training program, the Union may file a grievance directly in Step 3 of the complaint and grievance procedure. Such grievance, if appealed to the Board of Arbitration, shall be expedited by the Board to ensure that the Program is not unduly delayed by the resolution of the dispute.
4. It is understood that in the event that there are more applicants than the opportunities described in paragraph B-2 above, the parties will conduct a review of the facts to determine whether or not to increase the number of opportunities. Any such increase is to be implemented only upon

**mutual agreement of the Union and Company Co-Chairmen of the respective Negotiating Committees.**

**Very truly yours,**
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

**CONFIRMED:**
**/s/ David R. McCall**
**David R. McCall**
**Co-Chairman-Negotiating Committee**

## APPENDIX EE

### MEMORANDUM OF AGREEMENT ON MAINTENANCE EFFICIENCIES

The Parties recognize that in order for the reorganized Company to be successful in the current and future competitive environment, it must be able to maximize the effective utilization of its people and equipment. Efficient and effective maintenance of plant equipment is vital if this goal is to be achieved. Therefore, the Parties have agreed to the following understandings which have as their objective the enhancement of maintenance efficiency throughout the Company:

1) Employees in non-craft (operating/service) jobs may be assigned to perform, on their equipment, minor maintenance or adjustments, of the skill level found In single purpose maintenance jobs such as Oiler and Greaser or Maintenance Helper jobs. Such duties shall contain:

- Inspection and routine lubrication of equipment
- Minor maintenance work of the skill level

found in single purpose maintenance jobs such as Oiler and Greaser or Maintenance Helper jobs

- Assisting maintenance employees
- Collection and reporting of maintenance data

Incumbents of Assigned Maintenance single purpose non-Trade or Craft jobs such as Oiler and Greaser and Helper jobs (such as Millwright Helper) shall not be reduced from their job as a result of non-craft occupations assuming new duties under the provisions of this paragraph 1.

**2)** Notwithstanding any prior agreements, the Expanded Trade or Craft jobs of Maintenance Technician-Mechanical (MTM) and Maintenance Technician-Electrical (MTE) may be unilaterally installed by the Company under the provisions of Appendix EE as amended, in new and existing facilities at any of its steel producing locations.

**3)** *Uninterrupted operation is established in* all maintenance units at each of the Company's plant locations. Elements of uninterrupted operations include, but are not limited to: continuous unit operation, uninterrupted maintenance activity, flexible and reasonable time for personal needs and lunch at a suitable site (whether on or off the job), and "on the job buddy relief" or work commencing at the job site at the start of the turn and concluding at the end of the turn. However, under normal circumstances, maintenance employees who, prior to the Implementation of this paragraph 3) had wash up time at the end of the turn established by practice or agreement and are not on a buddy relief assignment will be released In sufficient time so as to be at their locker room ten minutes prior to the end of the turn.

The Local Plant Joint committee shall resolve

any implementation issues including methods by which employees may continue to have required lunch and personal needs time not resolved by the involved employees. The Committee will conclude on all implementation matters within 180 days of the effective date of this Agreement, *unless extended by mutual agreement.*

A Local Plant Joint Maintenance Efficiency Implementation Committee shall be established for each Local Union at each plant location of the Company. The Committee shall be comprised of two members selected by the Local Union and two members .selected by the Company. The Committee shall be responsible for implementation issues as provided for in this Agreement. Any implementation dispute that cannot be resolved by the Committee may be submitted to the Co-Chairmen of the Negotiating Committee or their designated representative for final resolution. If the Co-Chairmen are unable to resolve the issue, either Co-Chairman may submit the issue to the arbitrator pursuant to a procedure agreed upon by the Co-Chairmen. In resolving disputes under this provision, the arbitrator shall equitably accommodate the company's need for efficiency in uninterrupted operations with employee needs for reasonable personal time and reasonable time for lunch at a suitable site. In addition, the arbitrator shall consider personal needs and *lunch arrangements for maintenance employees* at plants of the company where uninterrupted operations in maintenance units were in effect before the effective date of this Agreement.

**4)** To the extent that it requires the mandatory filling of day-to-day temporary vacancies in the maintenance units of the Plant, the local agreement at the Indiana Harbor Works ("the Horan-Hoekelman Agreement") is void.

# APPENDIX EE

## MEMORANDUM OF UNDERSTANDING CONCERNING TRADE OR CRAFT JOBS

**I.** The parties, in the January 31, 1986 Interim Progress Agreement, addressed a determined effort to resolve the contracting out issue. Inherent to this resolution was identifying situations where the elimination of restrictive practices would promote the return of work to the bargaining unit.

The parties recognize that broadening the use of so called "Combined" and/or "Expanded" Trade or Craft jobs to replace or complement the existing Trade or Craft job structure can, in many cases, promote these objectives.

The parties also recognize that superimposing rigid Combined and/or Expanded Trade or Craft jobs into a plant situation where the Local Union, the incumbent Trade or Craft rated employees or the plant management may not desire such a new job structure can preclude successfully attaining the objectives.

Accordingly, it is agreed that:

**1. (a)** The local plant representatives (Plant Management and Local Union) may agree to install one or more of the Combined and/or Expanded Trade or Craft jobs listed in Paragraph 1-c below to replace or complement existing Trade or Craft jobs. At facilities with multiple production and maintenance bargaining units, prior to reaching agreement concerning the installation of combined and/ or expanded Trade and Craft jobs, the following shall be considered by all affected local parties:

**(1)** Historical work assignment practices as they relate to the combined and/or expanded craft, and

**(2)** The impact on all employees involved.

If the above considerations result in the parties' inability to reach agreement on Implementation, the matter shall be referred to the Special Trade or Craft and Apprenticeship Review Committee for consultation and recommendations.

**(b)** The Company may install one or more of the following Combined and/or Expanded Trade or Craft jobs listed in paragraph 1-c below, at its discretion, at new, major facilities such as continuous casters.

**(c)** COMBINED AND/OR EXPANDED TRADE OR CRAFT JOBS

(Includes the 2 JC Trade or Craft Additive)

| | | |
|---|---|---|
| Millwright-Special | J.C. | 18 |
| Motor Inspector-Special | J.C. | 18 |
| Crane Millwright-Special | J.C. | 18 |
| Machinist-Special | J.C. | 19 |
| Ironworker | J.C. | 21 |
| Pipefitter/Welder | J.C. | 19 |
| Carpenter/Painter | J.C. | 16 |
| Electronic/Instrument Repair Technician | J.C. | 21 |
| Heating and Air Conditioning Technician | J.C. | 19 |
| Maintenance Technician Mechanical | J.C. | 21 |
| Maintenance Technician Electrical | J.C. | 22 |
| Mobile and Locomotive Equipment Repair Technician | J.C. | 17 |

**(d)** Master Job Classifications for typical examples of such Combined and/or Expanded Trade or Craft jobs in Item (c) above are attached to Appendix V of the April 1, 1986 Settlement Agreement and agreed to and are hereby made

an addendum to the August 1, 1971 Job Description and Classification Manual.

**2.** The local plant representatives may agree to modify the job requirements of the above master jobs to adopt and accommodate (a) local plant situations (b) new or improved trade and craft technology or (c) in the case of new major facilities, the Company may make said modifications. Such modifications may not substantively alter the trade or craft combinations or expansions reflected in the master job descriptions and classifications. Such modifications shall be noted on the job description and appropriately reflected in the job classification.

**3.** Recommendations for the installation of Combined and/or Expanded Trade or Craft jobs other than those Master jobs listed above shall be referred by the local parties to the Co-Chairmen of the LTV Steel Negotiating Committee for their agreement.

**4.** All new Combined and/or Expanded Trade or Craft jobs shall be treated as Trade or Craft jobs for all purposes under the Labor Agreement.

**5.** *Within 90 days of the signing of successor* labor agreements, the Special Trade or Craft and Apprenticeship Review Committee shall conclude a study and report to the Co-Chairmen of the LTV Steel Negotiating Committee concerning existing maintenance jobs whose job requirements are equivalent to or approximate one of the above listed Combination and/or Expanded Trade or Craft jobs. The scope of the study shall include:

**a)** Those jobs which the Committee agrees fit or approximate the definition of the new combined and/or expanded Trade or Craft jobs.

**b)** Those jobs upon which the Committee

is in disagreement.

c) Recommendations concerning appropriate job classifications and the feasibility of providing Trade or Craft status to such jobs.

II. The parties recognize that over the years technological improvements have advanced to the point that the current Trade or Craft structure is no longer fully responsive to the more sophisticated needs of the Plants. It is apparent that our employees possess the requisite skills, ability and desire to meet the demands of technological advancement; however, the current Trade or Craft structure has not been conducive to the full utilization of those skills and ability. The parties have entered into discussions concerning the establishment of Expanded Trade or Craft jobs and have determined that it is in their mutual interest to provide the basis for a more responsive and flexible organization at all existing facilities throughout the Company.

It is also recognized that the Company's ability to comply with its obligations under the contracting out provisions of the collective bargaining agreement will be enhanced by such Trade or Craft improvements.

Therefore, in order to accomplish these objectives in all existing facilities while providing a significant measure of job security and economic protection for those affected by these changes, the following is agreed:

1. Notwithstanding the provisions of Appendix **EE-I** of this Agreement, the Company has the exclusive right to install in existing facilities at any of its plants covered by this Agreement the Expanded Trade or Craft jobs identified in Appendix **EE-I** of this Agreement with the exception of such Trade or Craft jobs

specifically prohibited by agreement of the Company with written notice to the Union between June 1, 1987 and July 3, 1987. If a plant decides to install one or more of the Expanded Trade or Craft jobs, it is understood that the job(s) is for all purposes a Trade or Craft job under the Labor Agreement and that those employees who become incumbents of the Expanded Trade or Craft job will perform the full scope of the duties encompassed by the job without restrictions which would encumber the performance of the full scope of the job. At those plants where the local parties have already reached agreement on one or more Expanded Trade or Craft jobs under Appendix **EE-I** of this Agreement and covered by this Agreement or have installed one or more substantially equivalent Trade or Craft jobs as a result of action taken prior to this Agreement, this Agreement shall not be deemed to supersede such prior activity. In the event such prior activity has resulted in rates of pay which are lower than the rates provided for substantially equivalent jobs under Appendix **EE-I**, the Job Description and Classification for such jobs shall be revised to the levels provided for in Appendix **EE-I**. Existing local agreements and practices shall not be modified except to the limited extent necessary to implement this agreement.

**2.** No current incumbent of a Source Craft job will be laid off or reduced to a level below 40 hours of work and/or pay per week as a result of the establishment of an Expanded Trade or Craft job under this Agreement. As an added protection for current incumbents of Source Craft jobs in the event that circumstances occur that necessitate a reduction of force, a junior incumbent of an Expanded Trade or Craft job will not be retained over a senior incumbent of a Source

Craft job. Recognizing that situations will continue to occur when Craft employees will be laid off, current incumbents of a related Non-Source Craft job (example: Wireman to Motor Inspector-Special) will not be laid off from their craft job as a result of incumbents of Expanded Trade or Craft jobs performing the duties of their job. Disputes in this area will be resolved through procedures established for the joint Local Plant Implementation Committee.

**3.** A special payment of $3,000 will be provided to a current incumbent of a Source Craft job who elects to and does promote to an Expanded Trade or Craft job which is established under the guidelines of this Agreement. Such special payment shall be payable in three (3) equal installments of $1,000 each and will be paid separate from the regular payroll. The first installment of $1,000 will be payable within 30 days following the date an employee becomes an incumbent of the Expanded Trade or Craft job. The second installment of $1,000 will be paid within six months from the date of incumbency and the third installment will be paid within 30 days following the date the employee qualifies for the standard rate level of pay. Any employee who qualifies for the standard rate of pay prior to the end of six (6) months will receive the second and third installments within 30 days following the date upon which the employee qualifies for the standard rate. No employee who promotes or who has promoted to an Expanded Trade or Craft job from a Source Craft job shall be entitled to receive more than one $3,000 special payment.

**4.** To ensure the future development of a highly skilled maintenance workforce, an Apprenticeship Training Program will be established by the Company for all Expanded Trade or

Craft jobs that are established under this Agreement. The Plant Implementation Committee shall within 30 days after the establishment of such job, set a timetable for the establishment of an Apprenticeship Training Program which will be designed to provide plant forces available in sufficient numbers to perform the work without excessive overtime. The Company may not refuse to establish the Apprenticeship Training Program referred to above except by agreement of the Union members of the Plant Implementation Committee. Such agreement shall not be withheld, however, where the Company proposes not to establish the Program because of the continued availability of source craft employees, the availability of other craft incumbents from other units, shutdown departments, or IJOP's. Should a dispute arise it will be promptly referred to the Co-Chairmen of the Negotiating Committee for resolution which may include the expeditious submission of the issue to Arbitration. The Apprenticeship Training Program will be a source of manpower for the Expanded Trade or Craft jobs only after all current incumbents of the Source Craft jobs have been given the opportunity to promote to the Expanded Trade or Craft jobs.

5. In recognition that Trade or Craft pay should be based on ability, at such time as a current incumbent of a Source Craft job promotes to the Expanded Trade or Craft job, he will be assigned to the highest rate of pay level for which he qualifies. If the employee qualifies at less than the standard rate of pay level, he will be offered training to qualify for the higher rates. Such training opportunities will be offered to employees in order of Plant continuous service. At such time as the employee demonstrates his proficiency at the

higher rate level, he will immediately be paid the higher rate of pay. If training is not offered to the employee to permit him to qualify for a higher rate of pay within six months from the date of initial assignment to the Expanded Trade or Craft job, then when the employee does quality, he will be entitled to retroactive pay based on the higher rate level back to the end of the six-month period, unless the local parties agree otherwise. If an incumbent from a Source Craft job is unable to qualify, after having been given appropriate training and remedial opportunities for the Expanded Trade or Craft job, he will be returned to the former Source Craft job.

6. As a protection for employees desiring to enter an Expanded Trade or Craft job, incentive coverage for the Expanded Trade or Craft jobs will be provided in accordance with the provisions of the Basic Labor Agreement.

7. If plant management determines to install an Expanded Trade or Craft job under this Agreement all current incumbents of the Source Craft job(s) will be given the opportunity to promote to such job unless management determines that a lesser number of Maintenance Technician-Mechanical or Maintenance Technician-Electrical incumbents are required or the Joint Plant Implementation Committee shall agree otherwise. The timing of promotional opportunities for current Source Craft incumbents will be determined by the Joint Plant Implementation Committee to insure that manning and training can be accomplished in an orderly, cost effective and efficient fashion. Current incumbents of the Source Craft job are not required to promote to the Expanded Trade or Craft job but may remain in the Source Craft without being affected. It an incumbent of a Source Craft job leaves that job

permanently for any reason, it is understood that the Company will not be required to fill such job. When the last current incumbent of the Source Craft job leaves the job on a permanent basis, the Source Craft job may be terminated. The termination of the Source Craft job in such a case shall not affect the content of any other remaining Trade or Craft job.

**8.** In recognition of the diversities that exist from plant to plant requiring involvement of the local parties, Joint Local Plant Implementation Committees consisting of two representatives from each Local Union and two representatives from the Company will be established to consider all implementation matters including:

- An annual review of the need for apprentices.
- Training programs for Expanded Trade or Craft jobs.
- Uniform application of Expanded Trade or Craft qualification determination.
- Determination of Source Craft jobs for the respective Expanded Trade or Craft jobs.
- Jurisdictional issues and other matters affecting more than one Local Union.
- The establishment of Apprenticeships for Expanded Trade or Craft jobs installed prior to April 1, 1986.

Any implementation dispute that cannot be resolved by the Plant Implementation Committee may be submitted to the Co-Chairmen of the Negotiating Committee or their designated representatives for final resolution.

**9.** If Management determines to unilaterally establish either the Expanded Craft job of Maintenance Technician-Mechanical or Maintenance Technician-Electrical in an existing facility under the provisions of II-1 above, the follow-

ing special transitional implementation procedure shall be applicable:

**A)** The purpose of this provision is to facilitate the installation of the MTM and MTE Expanded Trade or Craft jobs in existing facilities and to enhance the job security and promotional opportunities of Central Maintenance Department Trade or Craft employees.

**B)** The Special considerations provided by this provision are to be provided to affected Central Maintenance Mechanical or Electrical Trade or Craft employees who normally service an operating department(s) if the Company installs the MTM or MTE job in an assigned maintenance area of that department(s) and that job performs work currently performed by the Central Maintenance Trade or Craft job.

**(1)** The Joint Local Plant Implementation Committee will identify the affected Central Maintenance Trade or Craft jobs (Pipefitter, Welder, Ironworker, Wireman, Electrician, etc.) to be provided special protections under this proposal dependent upon which Technician job is installed. If more than one jurisdiction (Local Union) is involved both or all committees shall participate in this identification of affected jobs.

**(2)** Current incumbents in the affected Central Maintenance Trade or Craft job(s) will be entitled to enhanced job security protection. No such current incumbent will be laid off or reduced to a level below 40 hours of work and/or pay per week as a result of Management's unilateral establishment of the MTM or MTE job in the Assigned Maintenance area.

**(3)** After all of the current incumbents of the designated Source Craft job(s) have been given the opportunity to promote to the Assigned Maintenance MTM or MTE job, each current

incumbent of the affected Central Maintenance Trade or Craft job will be given an opportunity, as vacancies occur to promote to the assigned Maintenance MTM or MTE job under the procedures defined in paragraph II-6 above. A current incumbent of an affected Central Maintenance Trade or Craft job who refuses such opportunity shall receive no further consideration under this paragraph (3).

**(4)** Disputes concerning the application of the special protection will be resolved through procedures established for the Joint Local Plant Implementation Committee.

**C)** The Joint Local Plant Implementation Committee may agree to modify the terms of this provision 9. Such modification to become effective must be submitted to and approved by the Co-Chairmen of the Negotiating Committee.

**10.** For the purpose of this Memorandum of Understanding, a current incumbent of a Source Craft job, a related Non-Source Craft job or an affected Central Maintenance Trade or Craft job shall be defined as an incumbent of such job as of January 1, 1993.

## LETTER AGREEMENT ON THE DEFINITION OF "SIMPLE PIPEFITTING" IN EXPANDED TRADE OR CRAFT JOBS

June 1, 1994
Mr. John E. Bierman
Co-Chairman-Expanded Craft Committee
United Steelworkers of America
3629 Euclid Avenue
East Chicago, Indiana 46312
Dear Mr. Bierman:

The purpose of this letter is to clarify our understanding of the definition of "simple pipefitting" in the combination and/or Expanded Trade or Craft Master Job Classification. The definition below supersedes the letter of understanding addressed to Mr. Thomas A. Fair and Mr. R. Kovacevic dated March 11, 1986 which became part of the April 1, 1986 Settlement Agreement.

Simple pipefitting shall be considered to mean only the performance of the non-critical skills of the Pipefitter craft and not the performance on a routine basis or for extended periods of time of the full scope of that craft job. Simple pipefitting shall exclude work associated with major plant utility networks, pipebending, repair and maintenance of major flammable gas systems, fire protection piping systems, high pressure steam lines (200 PSI or greater) and major installation replacement or repair of high pressure hydraulic lines.

Simple pipefitting shall include the repair and maintenance pipefitting associated with gaseous, fluid and lubricating systems consistent with current maintenance and installation procedures which would include items such as hoses, fittings, tubing and tubing fittings, mechanical equipment and spray systems integral to piping

systems and other similar jobs associated with traditional assigned maintenance equipment where the full scope of the Pipefitter craft is not required.

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager-
Employee Relations and
Industrial Engineering

CONFIRMED:
/s/ John E. Bierman
John E. Bierman
Co-Chairman
Expanded Craft Committee

## LETTER AGREEMENT ON THE DEFINITION OF "SIMPLE WELDING" IN EXPANDED TRADE OR CRAFT JOBS

June 1, 1994
Mr. John E. Bierman
Co-Chairman-Expanded Craft Committee
United Steelworkers of America
3629 Euclid Avenue
East Chicago, Indiana 46312
Dear Mr. Bierman:

The purpose of this letter is to clarify our understanding of the definition of "Simple Welding" in the Combination and/or Expanded Trade or Craft Master Job Classifications. The definition below supersedes the letter of understanding addressed to Mr. Thomas A. Fair and Mr. R. Kovacevic dated March 11, 1986 which became part of the April 1, 1986 Settlement Agreement.

Simple welding shall be considered to mean the performance of the non-critical skills of the Welder Craft and not the performance on a routine basis or for extended periods of time of the full scope of that craft job. Simple welding shall exclude gas welding, pressure vessel welding, major structural welding and the welding of lifting devices, and installation of handrails. Simple welding shall include the repair and maintenance welding associated with items such as installation of brackets, keepers, coupling keys, gratings, wear plates, guards, retainers, handrail repairs, minor piping repairs, temporary repairs and other similar jobs associated with traditional assigned maintenance equipment where the full scope of the Welder Craft is not required.

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager-
Employee Relations and
Industrial Engineering

CONFIRMED:
/s/ John E. Bierman
John E. Bierman
Co-Chairman-
Expanded Craft Committee

# APPENDIX FF

## LETTER AGREEMENT REGARDING CERTAIN SENIORITY POOL ISSUES

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**

**Dear Mr. McCall:**

This letter is to confirm our agreement reached in connection with the negotiation of the **1999** Basic Labor Agreements between the United Steelworkers of America and the LTV Steel Companies with respect to certain Seniority Pool questions.

**1.** Any employee who has been assigned to a job in his seniority pool at the plant in accordance with the terms of Subsection XIII-L-3 of the Labor Agreement, who is recalled to work in his incumbent seniority unit and is subsequently laid off from that seniority unit within 28 days of such recall, will be rescheduled to work in his seniority pool not later than 8 days following the date of that subsequent layoff provided, however, that such employee is eligible to work in his assigned pool by virtue of his continuous service.

**2.** Any employee who has been assigned to any seniority pool at the plant in accordance with the terms of Subsection XIII-L-4 of the Labor Agreement, who is recalled to work in his home pool and/or incumbent seniority unit and is subsequently laid off from that pool/seniority unit within 28 days of such recall, will be rescheduled to work in the seniority pool to which he had been assigned under Subsection XIII-L-4 not later than eight (8) days following the date of that subse-

quent layoff provided, however, that such employee is eligible to work in his assigned pool by virtue of his seniority.

3. Additionally, any employee currently on layoff who is recalled to work in his home pool and/or incumbent seniority unit and is subsequently laid off from that pool/seniority unit within 28 days, will continue to be considered on layoff without an interruption for purposes of application of Subsections XIII-L-3 and XIII-L-4 of the Labor Agreement only.

4. The sole remedy for any errors in the application of this Agreement is limited to the correction of the scheduling error.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
/s/ **David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

# APPENDIX GG

## LETTER AGREEMENT ON EXTENDED RECALL RIGHTS FOR CERTAIN EMPLOYEES ON LAYOFF

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

This will confirm our understanding reached during the negotiations of the **1999** Labor Agreements with respect to current employees from those plants identified in Exhibit A of the **1999** Settlement Agreement who have been on layoff for a period in excess of one (1) year and who would otherwise break continuous service for recall purposes during the term of the **1999** Labor Agreement. Such employees shall be provided extended recall rights in accordance with the following:

**1.** Following the effective date of the **1999** Labor Agreement, the Company will mail a notice to the last address forwarded to the Company by those employees described above to determine whether or not they wish to be considered for potential IJOP opportunities in accordance with *the Interplant Job Opportunity provisions of the* Labor Agreement.

**2.** Those employees who are offered such opportunity pursuant to the provisions of paragraph 1 above and who reply in the affirmative will not have their continuous service broken for recall purposes during the term of the **1999** Labor Agreement, except as such employee subsequently rejects a job offered to him under these

provisions or does not respond within five (5) days from the time the offer is made and who but for this understanding would have had a continuous service break.

It is understood that such employee shall not be provided with any benefits for which he is not otherwise entitled.

The notice mailed to employees shall provide sufficient information to advise employees of their rights under this Letter Agreement.

Should any dispute arise under this letter of understanding, it shall be referred to the Co-Chairmen of the Negotiating Committee for resolution.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
/s/ **David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

# APPENDIX HH

## MEMORANDUM OF UNDERSTANDING ON BARGAINING UNIT CREW CHIEFS FOR PRODUCTION AND SERVICE UNITS

**I.** The parties intend to establish and implement procedures for the utilization of bargaining unit Crew Chiefs in production and service units as well as in Trade or Craft units. The parties recognize that the use of Crew Chiefs is a departure of major scope from prior use of bargaining unit Group Leaders. Accordingly, the use of Crew Chiefs will be made available for Trade or Craft units initially. After this initial period to establish the Crew Chief procedures in the Trade or Craft areas, the Crew Chief job will be made available for use in operating and service units as set forth below.

**II.** To further the objective of attaining maximum utilization of the production facilities and service units and to promote orderly operations, Crew Chiefs (Unit Designation) (hereinafter called Crew Chief) will be selected from the bargaining unit involved and remain in the bargaining unit. The Crew Chief will be proficient on all jobs over which they provide direction and they will regularly perform such work in addition to directing the crews and providing administrative services.

The prerequisites and responsibilities of the Crew Chief will include:

**a)** Full proficiency in the jobs within the crew which they are directing.

**b)** Regular participation in the work tasks in addition to the responsibilities of directing crews and performing administrative services.

**c)** Planning the work and expediting material for particular jobs as assigned.

**d)** Assignment of work to crew members.

**e)** Instruction of crew members.

**f)** Coordination of the assigned jobs including supporting occupations requested or assigned to assist on that job.

**g)** Communications with the crew, supervision and related occupations.

**h)** Written and/or oral reporting to supervision including progress reports, identification of problems, recommendations and explanations as required.

**I)** The Crew Chief job shall receive a standard hourly wage rate equal to three (3) job classifications higher than the highest job classification directed for which the Crew Chief must be qualified and/or required to perform, plus applicable incentive.

**III.** The procedure for selection and implementation of Crew Chief shall be as follows:

**a)** The procedure for selection and implementation of Crew Chief jobs in operating and service units shall be effective nine (9) months after the date of the successor Labor Agreement.

**b)** Bids for the job of Crew Chief will be accepted from employees who have satisfactorily completed a voluntary leadership training program, which shall be provided at Company expense, outside of the employee's scheduled working hours. The employee shall receive his standard hourly rate for hours spent in such training.. During the leadership training, reference to Section VIII, Subsection H, of the August 1, 1971 Job Description and Classification Manual shall be made orally or as part of the written materials furnished. This reference will be included for general illustrative purposes.

**c)** The job will be bid within the production and service unit or department involved. The bid

notice will include the identity of whom to contact for a background data form.

**d)** The bidder will complete the background data form to update or supplement personnel records prior to interviewing for the job.

**e)** An interview with production or service unit supervision will be conducted wherein job responsibilities will be explained.

**f)** Final selection will be based on criteria set forth in the seniority (promotion) provisions of the Basic Agreements and the satisfactory completion of the aforementioned leadership training program.

**g)** Periodic performance reviews will be conducted not less than quarterly for the first year and not less than semi-annually thereafter, including completion of a rating form, a specimen of which is attached as Exhibit A. Such performance reviews will be conducted by supervision with input from the appropriate Grievance Committeeman or his designee. The ratings will be reviewed in person with the Crew Chief and recorded in his personnel record at that time. Upon request, the Crew Chief shall be provided with a copy of the completed rating form.

**h)** The selection or removal of employees from the Crew Chief job may be subject to dispute in the grievance procedure.

**i)** Should removal be necessary after discussions regarding proficiency and areas of deficiencies and attempts to correct same, the employee shall be reassigned to his incumbent position or to whatever job his seniority entities him to hold.

**j)** Upon approval of this procedure, existing Group Leaders may become Crew Chief on the same terms and conditions as set forth in Items II-a through II-h.

**k)** The utilization of the Crew Chief job will be at Management's direction and will be based on operating/maintenance requirements.

**l)** The Crew Chief job shall not be utilized on production machines or processes where existing jobs, such as Blooming Mill Rollers or Electric Furnace First Helpers, presently direct the workforce. Some production or service areas where the Crew Chief job might properly be utilized include Labor Gangs, Track Gangs, Loading Crews or Shipping Crews.

# EXHIBIT A

NAME _____ EMPLOYEE NUMBER _____
PLANT _____ DEPARTMENT _____
JOB TITLE _____ JOB CLASS _____

RATING SCALE

| | OUTSTANDING Far Exceeds Position Requirements O | VERY GOOD Exceeds Position Requirements V | GOOD Meets Position Requirements G | MARGINAL May be corrective on present position M | FAILING Requires disposition F |
|---|---|---|---|---|---|
| SPECIFIC JOB REQUIREMENT #1 | | | | | |
| SPECIFIC JOB REQUIREMENT #2 | | | | | |
| SPECIFIC JOB REQUIREMENT #3 | | | | | |
| **SAFETY: Understands, plans and applies safe practices at work. Directs and influences others to follow safe practices.** | | | | | |
| COMMUNICATION: Expression in both oral and written communication; organization of communication; appropriate use of language | | | | | |
| SELF DIRECTIONS: Personally well organized; utilizes time effectively, independent action | | | | | |
| WORK DIRECTIONS: Ability to plan and organize work requirements, to delegate or assign work to subordinates and to follow up to insure successful completion. | | | | | |
| DECISION MAKING: Ability to recognize when a decision is required, use good judgement and available information in the making of decision. | | | | | |
| KNOWLEDGE OF THE JOB. Understanding of the full scope of functions over positions directed, the relationship of the job to all other jobs in the unit and the relationship of the unit to all other organizational units | | | | | |
| INTERPERSONAL SKILLS: Ability to deal effectively with and relate to others | | | | | |

OVERALL PERFORMANCE SUMMARY

ACTION PLANS
What can the employee do to improve his/her performance on the existing job?

SIGNATURES:

Supervisor _____ Manager-Operations _____ Crew Chief _____

Date _____ Date _____ Date _____

# APPENDIX HH-1

## MEMORANDUM OF UNDERSTANDING ON BARGAINING UNIT CREW CHIEFS

**I.** To further the objective of attaining maximum utilization of the facilities and maintenance crafts and to promote orderly operations, Crew Chiefs-*(Unit Designation)* (hereinafter called Crew Chief) will be selected from the bargaining unit involved, and remain in the bargaining unit and will be proficient on all jobs over which they provide direction and they will regularly perform such work in addition to directing the crews and providing administrative services.

The prerequisites and responsibilities of the Crew Chief will include:

**a)** Full proficiency (except for certification to perform pressure vessel welding) in the jobs within the craft.

**b)** Regular participation in the work tasks in addition to the responsibilities of directing crews and performing administrative services.

**c)** Planning the work and expediting material for particular jobs as assigned.

**d)** Assignment of work to crew members.

**e)** Instruction of crew members.

**f)** Coordination of the assigned jobs including supporting occupations requested or assigned to assist on that job.

**g)** Communications with the crew, supervision and related occupations.

**h)** Written and/or oral reporting to supervision including progress reports, identification of problems, recommendations and explanations as required.

**i)** The Crew Chief job shall receive a standard hourly wage rate equal to three (3) job classifications higher than the highest job class

directed for which the Crew Chief must be qualified and/or required to perform, plus applicable incentive.

**II.** The procedure for selection and implementation of Crew Chief shall be as follows:

**a)** Bids for the positions of Crew Chief will be accepted from craftsmen who have satisfactorily completed a voluntary leadership training program, which shall be provided at Company expense, outside of the employee's scheduled working hours. The employee shall receive his standard hourly wage rate for hours spent in such training. During the leadership training, reference to Section VIII , Subsection H, of the August 1, 1971 Job Description and Classification Manual shall be made orally or as part of the written materials furnished. This reference will be included for general illustrative purposes.

**b)** The position will be bid within the craft unit or department involved. The bid notice will include identity of whom to contact for a background data form.

**c)** The bidder will complete the background data form to update or supplement personnel records prior to interviewing for the job.

**d)** Interview with the maintenance craft supervision. Job responsibilities will be explained.

**e)** Final selection will be based on criteria set forth in the seniority (promotion) provisions of the Basic Agreements and the aforementioned satisfactory completion of the leadership training program.

**f)** Periodic performance reviews will be conducted not less than quarterly for the first year and not less than semi-annually thereafter, including completion of a rating form, a specimen of which is attached as Exhibit A. Such progress

interviews will be conducted by supervision with input from the Grievance Committeeman or his designee. The ratings will be reviewed in person with the Crew Chief and recorded in his personnel record at that time. Upon request, the Crew Chief shall be provided with a copy of the completed rating form.

**g)** The selection or removal of employees from the Crew Chief job shall be subject to dispute in the grievance procedure.

**h)** Should removal be necessary after discussions regarding proficiency and areas of deficiencies and attempts to correct same, the employee shall be reassigned to his incumbent position or to whatever job his seniority entitles him to hold.

**i)** Upon approval of this procedure, existing Group Leaders may become Crew Chief on the same terms and conditions as set forth in Items II-a through II-h.

**j)** The utilization of the Crew Chief job will be at Management's direction and will be based on operating/maintenance requirements.

# EXHIBIT A

NAME _____ EMPLOYEE NUMBER _____
PLANT _____ DEPARTMENT _____
JOB TITLE _____ JOB CLASS _____

RATING SCALE

| | OUTSTANDING Far Exceeds Position Requirements O | VERY GOOD Exceeds Position Requirements V | GOOD Meets Position Requirements G | MARGINAL May be corrective on present position M | FAILING Requires disposition F |
|---|---|---|---|---|---|
| SPECIFIC JOB REQUIREMENT #1 | | | | | |
| SPECIFIC JOB REQUIREMENT #2 | | | | | |
| SPECIFIC JOB REQUIREMENT #3 | | | | | |
| **SAFETY: Understands, plans and applies safe practices at work. Directs and influences others to follow safe practices.** | | | | | |
| COMMUNICATION: Expression in both oral and written communication; organization of communication; appropriate use of language | | | | | |
| SELF DIRECTIONS: Personally well organized; utilizes time effectively, independent action | | | | | |
| WORK DIRECTIONS: Ability to plan and organize work requirements, to delegate or assign work to subordinates and to follow up to insure successful completion. | | | | | |
| DECISION MAKING: Ability to recognize when a decision is required, use good judgement and available information in the making of decision. | | | | | |
| KNOWLEDGE OF THE JOB: Understanding of the full scope of functions over positions directed, the relationship of the job to all other jobs in the unit and the relationship of the unit to all other organizational units | | | | | |
| INTERPERSONAL SKILLS: Ability to deal effectively with and relate to others | | | | | |

OVERALL PERFORMANCE SUMMARY _____

ACTION PLANS
What can the employee do to improve his/her performance on the existing job?

SIGNATURES:

Supervisor _____ Manager-Operations _____ Crew Chief _____

Date _____ Date _____ Date _____

# APPENDIX II

## LETTER AGREEMENT REGARDING FEASIBILITY STUDIES

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**

**Dear Mr. McCall:**

The following understanding has been agreed upon regarding feasibility studies.

When the Company decides to permanently close a plant or a substantial portion of a plant, it shall cooperate with government agencies and the Union and any consultants they may engage by providing relevant historical data for feasibility studies which are undertaken to determine if viable businesses can be formed using the closed facilities. Such requests for information shall be reasonable in dimension and required for the concerned analysis. The Company shall not be required to provide proprietary information for products it continues to produce nor shall it be required to provide information involving trade secrets. All information shall be provided on a confidential basis, and its use shall be solely for the purpose of conducting the feasibility study. The only costs of the concerned feasibility studies to be borne by the Company will be those associated with gathering and providing the relevant historical data, except by mutual agreement.

| CONFIRMED: | Very truly yours, |
|---|---|
| **/s/ David R. McCall** | **/s/ N. P. Vernon, Jr.** |
| **David R. McCall** | **N. P. Vernon, Jr.** |
| Co-Chairman-Negotiating Committee | **General Manager Employee Relations and Industrial Engineering** |

# APPENDIX JJ

## LETTER OF UNDERSTANDING ON SUBSTITUTE FOREMEN

August 1, 1999

Mr. David R. McCall
Co-Chairman-Negotiating Committee
United Steelworkers of America
777 Dearborn Park Lane, Suite J
Columbus, OH 43085

Dear Mr. McCall:

This will confirm our understanding that the turns worked by an Employee as a substitute supervisor at at former Republic facility shall be counted as days worked for the purpose of applying any existing practice or local agreement on the distribution of overtime. The foregoing shall not be applicable when the Employee is assigned to substitute supervisor for a full week.

Except as herein above provided, the scheduling or assignment of an Employee to such position and the terms and conditions applicable to such position shall continue to be solely as determined by Management.

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager
Employee Relations and
Industrial Engineering

CONFIRMED:
/s/ David R. McCall
David R. McCall
Co-Chairman-Negotiating Committee

# APPENDIX KK

## AGREEMENT ON THE ESTABLISHMENT AND ADMINISTRATION OF THE USWA/LTV STEEL INSTITUTE FOR CAREER DEVELOPMENT

In recognition of the world-wide competitive challenges that confront the Company and the entire work force, the United Steelworkers of America and LTV Steel Company have **established** a major new venture in training and educating workers–The USWA/ LTV Steel Institute for Career Development (the "Institute")–**which, in conjunction with similar programs negotiated by the Union with various other employers will be administered under the rules and procedures of the Institute for Career Development ("ICD").**

The purpose of the Institute is to provide resources and support services for the education, training and personal development of the employees of LTV Steel Including upgrading the basic skills and educational levels of active employees in order to enhance their ability to absorb craft and non-craft training, their ability to progress in the workplace, and their ability to perform their assigned work tasks to the full extent of their potential, and their knowledge and understanding of the workplace, and of new and innovative work systems. Further purposes include education, training and counseling which will enable employees to have more stable and rewarding personal and family lives, alternative career opportunities in the event that their steelworker careers are subject to dislocation, and long, secure and meaningful retirements. This will also enable the USWA and LTV Steel to continue and expand their pioneering efforts, in conjunc-

tion with federal, state and local governments, in support of the victims of shutdowns, layoff, restructuring, economic policies and unfair trade practices.

The Institute will be financed by a contribution from LTV Steel in the amount of 10 cents **(15 cents effective July 31, 2002)** per actual hour worked by Steelworker-represented employees covered by the **1999** Settlement Agreement, **credited in a separate account. The Institute will be administered jointly by the Company and the Union in accordance with the procedures, rules, regulations and policies of the ICD. Effective with calendar year 2000, any credits accrued for actual hours worked during a calendar year which remain unspent at the end of such calendar year will commence accruing interest computed at a rate of 4% per annum until spent during the term of this August 1, 1999 Basic Labor Agreement.** The Overtime Control Training Fund will be financed by a credit from the Company in the amount specified in Subsection XI-C-1-g. The parties will, of course, also seek and use funds from federal, state and local governmental agencies.

Consistent with this understanding, it would be appropriate for the Institute to allocate funds to certain programs that are currently being offered by LTV Steel, and that are consistent with the goals and limitations of this Appendix.

It is understood that the International President of the USWA and the Chief Executive Officer of LTV Steel may by mutual agreement incorporate within the Institute the programs and funds provided for in Appendix O (Memorandum of Understanding on Plant Closings).

Apprenticeship, craft training and training for position-rated jobs are separately provided for in

the collective bargaining agreement. The Company may, however, contract with the Institute to provide services and resources in support of such training.

In establishing this program USWA and LTV Steel are implementing a shared vision that *workers must play a significant role in the design* and development of their jobs, their training and education, and their working environment. In a world economy many changes are unforeseen and unpredictable. Corporate success, worker security and employee satisfaction all require that the work force and individual workers be capable of reacting to change, challenge and opportunity. This, in turn, requires ongoing training, education and growth. Experience has shown that worker growth and development are stunted when programs are mandated from above but flourish in an atmosphere of voluntary participation in self-designed and self-directed training and education. These shared beliefs shall be the guiding principles of the Institute.

**The Company agrees to continue to participate fully as a member of ICD in accordance with policies, rules and regulations established by the ICD. The Company's financial contributions to the Institute will continue to be separately tracked. ICD will continue to be under the joint supervision of the Union and *participating employers with a Governing* Board consisting of an equal number of Union and employer appointees.**

**Reporting, Auditing, Accountability and Oversight**

**The following minimum requirements shall govern reporting, auditing, accountability and oversight of the funds provided for above:**

**1. Reporting**

For each calendar year quarter, and within 30 days of the close of such quarter, the Company shall account to the ICD, the International President of the Union and the Union Chairman of the Negotiating Committee for all changes in the financial condition of the Institute. Such reporting shall include at least the following information for each such quarter:

- The Company's 10¢ (15¢ effective July 31, 2002) per hour contribution per quarter with cumulative balance.
- The amount, if any, of imputed interest.
- A detailed breakdown of actual expenditures related to approved program activities during said quarter.
- Reports shall be broken down by plant and include all expenditures for that site.
- Reports shall be made on form(s) developed by ICD and approved by the ICD Governing Board.

The Union Co-Chairs of each of the Local Joint Committees shall receive a report with the same information for their plant or local union, as the case may be.

2. Auditing

The Company or the Union may, for good reason, request an audit of Company reports described above and of the underlying Institute activities made in accordance with the following: The company and the Union shall jointly select an independent outside auditor. The reasonable fees and expenses of the auditor shall be paid from ICD funds. The scope of audits may be company-wide, plant-specific, or on any other reasonable basis.

3. ICD Approval and Oversight

Each year, the Local Joint Committees shall submit a proposed training/education plan to the Union and Company Negotiating Committee Chairmen. Upon their approval, said plans shall be submitted to the ICD. ICD must approve the annual plan before any expenditure in connection with any activities may be charged against the funds provided for in this Institute. An expenditure shall not be charged against such funds until such expenditure is actually made.

Dispute Resolution Mechanism

Any dispute regarding the administration of the Institute at the Company or plant level shall be subject to expedited resolution by the Company and the Union Co-Chairmen of the Negotiating Committee and the Executive Director of ICD who shall apply the policies, rules and regulations of the Governing Board in ruling on any such dispute. Rulings of the Executive Director on any such dispute may be appealed to the Governing Board, but the Executive Director's ruling shall become and remain effective unless stayed or reversed by action of the Governing Board. Within 60 days of the effective date of this Labor Agreement, the Union and the Company will develop such administrative procedures as are necessary for the operation of this expedited Dispute Resolution Mechanism, it being understood that the goal is to resolve disputes within no more than two weeks after the Dispute Resolution Mechanism is invoked.

**August 1, 1999**

**Mr. N. P. Vernon, Jr.**
**General Manager**
**Employee Relations & Industrial Engineering**
LTV Steel Company
**200 Public Square**
Cleveland, Ohio **44114**

**Dear Mr. Vernon:**

This letter will confirm our understanding in connection with Appendix KK, Agreement on the Establishment and Administration of the USWA/LTV Steel Institute for Career Development, that if for any reason the USWA/LTV Steel Institute for Career Development is terminated, or if the scope of the program is modified to the extent that all existing and committed funds are not required, the unused contributions and commitments shall be allocated to another employee benefit designated by the United Steelworkers of America, the choice of employee benefit to be subject to review with and approval by the Company, **such approval not to be unreasonably withheld.**

Very truly yours,
/s/ **David R. McCall**
**David R. McCall,**
**Co-Chairman-**
**Negotiating Committee**

CONFIRMED:,
/s/ **N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations &**
***Industrial Engineering***

## APPENDIX KK

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

In our discussions concerning the use of Institute for Career Development funds, the question was raised about using a defined surplus from those funds for job related/skill training in addition to the funds that will be provided under the new Overtime Control Training Fund.

The parties agree to review the utilization of ICD funds for the purposes specified in Appendix KK to determine how that utilization can best be increased for programs covered by ICD funding, including but not limited to training for joint cooperation programs and training for dislocated workers. Where appropriate, the parties will work with the ICD Advisory Board to develop guidelines for the use of ICD funds for such training.

Following the completion of the utilization review described above, the parties agree to discuss how to increase such utilization and whether it is appropriate to use defined amounts of ICD funds for job related training in addition to that provided under the Overtime Control Training Program.

| | |
|---|---|
| CONFIRMED: | Very truly yours, |
| **/s/ David R. McCall** | **/s/ N. P. Vernon, Jr.** |
| **David R. McCall** | **N. P. Vernon, Jr.** |
| Co-Chairman-Negotiating Committee | **General Manager Employee Relations and Industrial Engineering** |

# APPENDIX LL

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

This will confirm the parties understanding reached during the negotiation of the successor to the **1994** Labor Agreements concerning the Memorandum of Agreement on Maintenance Efficiencies, the Amendments to Appendix EE, the Understanding on Uninterrupted Operations (replacing Appendix QQ), the Understanding on Summer Student Probationary Waiver, and the Manning and Employee Protection Agreement.

No change resulting from the provisions of these understandings or the implementation of any of them may be cited by the Company or relied on by the arbitrator as a defense to a contracting out grievance arising under the provisions of the Basic Labor Agreement or used as a reason for denying a retroactive remedy in such a case.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
**David R. McCall**
*Co-Chairman-Negotiating Committee*

# APPENDIX LL-1

## LETTER AGREEMENT ON UNION REPRESENTATION IN CONTRACTING OUT MATTERS

August 1, 1999

Mr. David R. McCall
Co-Chairman-Negotiating Committee
United Steelworkers of America
777 Dearborn Park Lane, Suite J
Columbus, OH 43085

Dear Mr. McCall:

This will confirm our understanding regarding agreements reached pursuant to Section II-C-F of the Basic Labor Agreement. The Unit Chairman may act in place of the Local Union President and the Grievance Chairman may act in place of the General Grievance Committeeman in units where such positions are established in the Local Union.

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager
Employee Relations and
Industrial Engineering

CONFIRMED:
/s/ David R. McCall
David R. McCall
Co-Chairman-Negotiating Committee

# APPENDIX MM

## AGREEMENT ON EMPLOYMENT SECURITY

### A. EFFECTIVE DATE

1. This Employment Security Plan (ESP) shall become effective at each plant for eligible employees, as defined in Paragraph C below, upon ratification of the June 1, 1994, Basic Labor Agreement; provided, however, that if any Plant is covered by a New Work Systems agreement that includes plant-wide employment security understandings, it shall become covered by this ESP only upon the cancellation of such New Work Systems agreement.

### B. GUARANTEE

1. Employees eligible for this ESP may not be laid off during the term of this agreement except as provided below. If a disaster occurs, the ESP will be terminated For the purposes of this agreement, disaster is defined as:
   a. the permanent shutdown of either of the steelmaking operations at the Cleveland Works or the steelmaking operation at the Indiana Harbor Works;
   b. the permanent shutdown of any other plant, but only as to employees of that plant;
   c. a petition in bankruptcy for reorganization or liquidation is filed, and the Court finds that it is necessary to reject this agreement and issues an order under the bankruptcy laws authorizing such rejection;
   d. severe financial difficulties short of bankruptcy filing. Such financial difficul-

ties must represent a clear and present danger to the Company's viability. Disputes concerning this Paragraph shall be subject to arbitration pursuant to a special emergency procedure to be agreed upon by the parties. Termination can occur under this Paragraph only by mutual agreement of the parties or upon finding by the arbitrator that the financial difficulty asserted by the Company does in fact represent a clear and present danger to the Company's continued viability.

2. In addition, in the event of a strike or work stoppage by employees covered by the **August 1, 1999** Basic Labor Agreement, the ESP will be suspended for the duration of such strike or work stoppage. Furthermore, should a strike or work stoppage by others or a natural disaster result in a need to reduce planned work activity, the Plan may, by mutual agreement, be suspended until normal operations are restored.
3. In addition, in the event of a breakdown or outage which is expected to last for four (4) weeks or more, the ESP may, by mutual agreement, be suspended for affected employees only, for the duration of the breakdown or outage.
4. In addition, in the event of a significant decrease in the level of plant operations, which for purposes of this Plan may include:
   a. at either the Indiana Harbor or Cleveland Works, a temporary shutdown of a blast furnace or caster, or
   b. at the Hennepin Works (in the event it

becomes subject to this Plan pursuant to Paragraph A above), reduced operations of the Pickle and/or Tandem Mill to 10 turns per week or less, or

c. at the Warren or Chicago Coke Plants, a need to operate at a twenty four hour or longer coking time, or

d. at the Aliquippa Tin Mill, reduced operations of either or both of the tin lines to 12 turns per week or less, or

e. at LTV Steel Mining, temporary shutdown of the pelletizing operation, employees affected by the decrease in the level of plant operations and eligible for employment security pursuant to Paragraph C of this Plan may, by mutual agreement, be temporarily scheduled on a thirty-two (32) hour a week basis. Any Implementation Issues or procedures that arise under this Paragraph will be addressed by the Employment Security Implementation Committee established by the letter agreement of Appendix MM-1.

5. In the case of a permanent shutdown of a department or a substantial portion of a department, layoffs will be permitted, but only in accordance with the following:

a. The appropriate local parties shall promptly meet and consider alternatives designed to provide employment to displaced employees, including assignment to non-traditional tasks, in accordance with agreed-upon procedures. Absent agreement, subsection b. shall apply.

b. Displaced employees in such departments or displaced employees on

occupations traditionally, routinely and regularly dedicated exclusively to such departments, and displaced maintenance employees who are displaced from their line of progression as a result of a shutdown of the department or a substantial portion of the department (as the term "substantial portion" has historically been understood by the parties), shall be entitled to displace junior employees in accordance with existing local seniority agreements and/or practices. Displaced employees, including those displaced as the result of the exercise of bumping rights referred to in this subparagraph , may be laid off and, if laid off, shall have no entitlement to the protections of this ESP, until they are subsequently recalled and become eligible for such protections pursuant to the provisions of this ESP.

c. Any local agreement which provides a greater measure of employment security than is provided for under this ESP shall continue in full force and effect.

6. The guarantee provided to active eligible employees by this ESP, except as provided in Paragraph 4, is defined as the opportunity to earn forty (40) hours of pay (including hours paid for but not worked, work opportunities declined by the employee, disciplinary time off, absenteeism, report-off for Union business, but excluding overtime penalty pay and premium pay), during any payroll week. An eligible employee on approved leave of absence or medically laid off or on volun-

tary layoff during any payroll week shall be considered as having been provided employment security during that week, it being understood that the pay, if any, that such an employee is entitled to receive while on approved leave of absence or medical layoff or voluntary layoff is that provided by applicable law or the labor agreement, not the earning opportunity set forth in the ESP.

**C. ELIGIBILITY**

1. All employees with at least **three** years of continuous service and who are active as of the effective date of this Plan are eligible for the protections of this ESP. An active employee who does not have at least **three** years of continuous service as of the effective date of this Plan shall be eligible for this ESP upon attaining **thirty-six** months of continuous service, unless he is on layoff at that time, in which case he shall become eligible when he returns to active employment. Employees who are laid off in accordance with Paragraph B-5 after the effective date of this Plan may become eligible for this ESP only when they return to work.
2. Any full-time employee hired after the effective date of this ESP shall be eligible for this ESP under its provisions upon attaining **thirty-six** months of continuous service, unless he is on layoff at that time, in which case he shall become eligible when he returns to active employment. **The continuous service necessary for eligibility specified in this Paragraph C shall be two years or twenty-four months for employees hired prior to August 1, 1999.**

**D. TRANSFER TO THE EMPLOYMENT SECURITY LIST**

Consistent with Paragraph H, an employee *shall enjoy the guaranteed opportunities afforded* by this Plan and still retain any rights and obligations he may have in the absence of this Plan under the Seniority Provisions of the Basic Labor Agreement to promote, bid, transfer, regress, bump, or be recalled. An employee who would have been laid off but for this ESP, and who does *not elect voluntary layoff pursuant to Paragraph* G below, shall be placed on the Employment Security List (ESL).

**E. JOB ASSIGNMENTS FROM THE EMPLOYMENT SECURITY LIST**

In the first sixty (60) days following the effective date of the Plan, the Employment Security *Implementation Committee established* under Appendix MM-1 shall work to address issues concerning the assignment and placement of Employment Security List employees. Until a complete implementation plan has been reached either by agreement of the parties or arbitration hereunder, Employment Security List employees shall be scheduled to work in the Labor Pool from which they would otherwise have been laid off, except as the Implementation Committee may otherwise agree. Subject to the timetable in the preceding sentence, employees assigned to the Employment Security List may be utilized in a variety of ways including the following:

1. Traditional assignments:
   - **(a)** Temporary vacancies–including vacancies which would otherwise be filled by *overtime.*
   - **(b)** Work that would otherwise be contracted out (such assignment not to be used or referred to by either party in any con-

tracting out dispute brought before an arbitrator).

2. Non-traditional assignments may include but not be limited to:
   *(a) Integrated Process Control*
   **(b)** Standard Operating Procedure Teams
   **(c)** Skills Assessment and Training
   **(d)** Customer Service Assignments
   **(e)** Quality and Yield Improvement Teams
   **(f)** Training Instructors/Facilitators
   **(g)** Customer Involvement Teams
   **(h)** Technical Problem Solving Groups
   **(i)** Model 204 Programming
   **(j)** Vacancies, including replacing overtime, in any other LTV/ USWA bargaining unit in close proximity (as provided in the attached rider), whether P&M, O&C, O&T, or Property Protection, subject to the VLO options set forth in Paragraph G-2
   **(k)** Work normally performed by non-bargaining unit personnel. (It is agreed that such an assignment shall not give rise to claim by the Union that such work must continue to be assigned to bargaining unit employees.)

**3.** *Implementation Guidelines. In formulating* rules for the assignment and placement of Employment Security List employees, the Implementation Committee, or (if applicable) the Co-Chairmen of the Negotiating Committee or any neutral decision maker referred to below shall adhere to the following principles, unless otherwise mutually agreed to by the parties:

**(a) (i)** All Employment Security List employees shall be considered for available assignments in the following *order: a traditional assignment within*

their home plant; a non-traditional-assignment within their home plant; a traditional assignment within a plant in close proximity (for those plants paired with others in the attached rider); and a non-traditional assignment at a plant in close proximity (for those plants paired with others in the attached rider).

**(ii)** For purposes of applying this Paragraph E-3 at the Cleveland East/Cleveland West Complex or the Indiana Harbor/South Chicago Complex, the term "home plant" shall refer to the entirety of each complex, provided however, that within each such complex, ESL assignment rights within the "home plant" shall refer to the entirety of each complex, provided however, that within each such complex, ESL assignment rights within the "home plant" shall apply first at one's traditional plant and, if no such assignment is available, at the remainder of the complex.

**(b)** Trade and Craft employees on the Employment Security List shall first be considered for assignments to Trade and Craft vacancies.

**(c)** Production employees on the Employment Security List shall first be considered for production vacancies.

**(d)** Employment Security List employees shall be assigned to perform only that work for which they are qualified.

**(e)** Assignments from the Employment Security List shall be made with appropriate regard for seniority principles

and may include appropriate measures addressing unreasonable inverse seniority effects of the ESL arrangement.

(f) Before transferring to an ESL assignment outside of a "home plant", an ESL employee shall first be entitled to bump a junior employee in an ESL assignment in his home plant.

4. Assurance of Plan Implementation.

(a) Initial Period: If, at the conclusion of the sixty day period referred to in the opening sentence of this Paragraph E, the *Employment Security Implementation* Committee has not reached mutual agreement on the issues relating to assignment and placement of Employment Security List employees, the unresolved matters shall be referred to the Co-Chairmen of the Negotiating Committee. If they are unable to resolve those matters within 30 additional days, they shall submit their unresolved disputes to Arbitrator Rolf Valtin, who shall conduct expedited, "final offer" arbitration. At each plant with unresolved disputes, the arbitrator shall rule for that party whose package of proposals at that plant is least disruptive of employees' contractual rights absent this Plan, most consistent with the provisions of this Plan, and most consistent with the Company's need to utilize Employment Security List employees effectively.

(b) Continuing Implementation: After the adoption of Implementation procedures in accordance with the previous subparagraphs, and in the event of any sig-

nificant new disputes concerning the assignment or placement of Employment Security List employees, such disputes shall be submitted to the Co-Chairmen of the Negotiating Committee for resolution which may involve appointment of a mutually selected mediator or arbitrator to resolve such disputes according to the principles contained in this Paragraph E-4 or, if by mutual agreement, other criteria to be agreed upon by the Co-Chairmen.

**F. RATE OF PAY FROM EMPLOYMENT SECURITY LIST**

An employee transferred to the Employment Security List shall receive, while performing work on an Employment Security List assignment:

1. In jobs that are classified and described: the appropriate rate of pay for the position worked, including applicable incentives;
2. In the case of an assignment not falling within the description of an established job: the rate of pay determined by the Implementation Committee, provided however, that where the Implementation Committee is unable to reach agreement, the rate of pay for such an assignment shall be the standard hourly wage rate for the job with the lowest classification in the plant.

**G. VOLUNTARY LAYOFF PRACTICES AND AGREEMENTS**

1. Upon the effective date of this ESP, all existing practices, agreements or working conditions which permit voluntary layoffs will be preserved.
2. Layoff at the employee's option may occur under the following circumstances: in lieu

of an employee being placed on the Employment Security List (see Paragraph D); or after placement on the list if the employee's list assignment would require (i) travel of 25 miles or more from his home plant to a location within his regional grouping (as provided in the attached rider) or (ii) crossover from one type of bargaining unit to another (for example, from O&C to P&M).

3. The parties recognize that voluntary layoffs hereunder may adversely impact the levels of SUB benefits for employees suffering involuntary layoffs. It is therefore agreed that an employee who is voluntarily laid off pursuant to Paragraph G of this Plan shall receive a Special Weekly Benefit in lieu of any other benefit under the SUB Pan. The Special Weekly Benefit shall be equal to a regular Weekly Benefit and payable subject to the same terms and conditions as a regular Weekly Benefit including the reductions as noted in Paragraph 1.6 of the SUB Plan based upon the Financial Position of the SUB Plan and cancellation of credit units. Cash contributions will be deposited as required to pay the Special Weekly Benefit and shall not reduce future monthly obligations of the Company to the SUB Plan.
4. In the event that the voluntary layoff option under this agreement causes a state unemployment compensation agency to determine that an employee is ineligible for unemployment compensation solely because of the workings of the VLO feature hereunder, the employee may rescind the VLO option and return to an

Employment Security List assignment as soon as practicable.

**H. EXISTING RIGHTS**

Except as expressly provided in this ESP, nothing in the ESP shall interfere with, limit, detract from, or adversely affect in any way the rights and obligations of the parties set forth in other provisions of the Basic Labor Agreement. Moreover, the SUB Plan, as revised and Earnings Protection Plans will continue for the duration of the **August 1, 1999** Basic Labor Agreement.

**CLOSE PROXIMITY GROUPINGS RIDER**

Group 1. Indiana Harbor/South Chicago Complex
Group 2. Aliquippa Tin Mill
Group 3. Cleveland East/Cleveland West Complex, Cleveland Tube Plant, Elyria Tube Plant and Lorain Pellet Terminal
Group 4. Youngstown Tube Plant and Warren Coke Plant*
Group 5. LTV Steel Mining (including Taconite Harbor and Power Plant)
Group 6. Hennepin Plant (in the event it becomes subject to this Plan)
Group 7. Counce Tube Plant

* Note regarding Warren Coke: Warren employees shall have a secondary choice at their sole option of available ESL assignments at Group 2 or 3, provided however, that their declining of this option shall have no effect on their right to exercise their primary options under this Plan at Warren Coke and Youngstown Tube.

## APPENDIX MM-1

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**

Re: Employment Security
Implementation Committee

**Dear Mr. McCall:**

With the adoption of the Employment Security Plan, the parties agree to the establishment of an implementation committee to address issues that may arise under the Plan in relation to the application of Paragraphs B-2, B-3, B-4 and E.

An Implementation Committee shall be established in each plant consisting of a number of members appointed by each of the Local Union(s) as described below and an equal number appointed by local plant management. The Committee shall be comprised of three members appointed by the Local Union(s), except that in plants with more than three Local Unions, there shall be at least one member appointed by each Local Union. In plants with two Local Unions, the larger Local Union shall appoint two members, and the smaller Local Union shall appoint one member, unless the parties agree to a larger committee.

In the first sixty days of the Employment Security Plan, the Implementation Committee shall meet as often as necessary to address assignment and placement issues referred to in Paragraph E. Thereafter, the Implementation Committee shall meet weekly to resolve any further implementation issue that may arise. After the ESP has been in place, the Committee shall

meet as required, or upon the request of three committee members.

The costs of meeting, including lost time if necessary, shall be met by the Company.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
/s/ **David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

## APPENDIX NN

(Appendix NN printed for the purpose of continued application to any manning reductions including associated employee and income protections set forth in Appendix NN of the June 28, 1993 **J&L Labor Agreement and Appendix LL of the June 28, 1993 Republic** Labor Agreement)

## MANNING AND EMPLOYEE PROTECTION AGREEMENT

The job security and economic welfare of the employees and the necessity for LTV Steel Company successfully to reorganize and to be a viable competitor in the steel marketplace are interrelated and mutually consistent goals of the Company and Union.

Accordingly, it is the intent of the parties in entering into this agreement to enable the Company expeditiously to reach specified competitive manning levels and to provide job securi-

ty and income protection measures for those employees displaced or otherwise affected by the manning changes herein specified. Except as otherwise provided in Section II-A-3-e of this agreement, "eligible" employees under this agreement are all permanent employees (excluding probationary and summer employees) who are not on layoff.

I. Employee Protection Principles

A. Manning Force Reductions Only Through Permanent Vacancies

A Manning Force Reduction is the elimination of the need to schedule an employee as the result of a reduction in the number of employees assigned to a job, or the elimination of a job or the combination of two or more jobs. A Manning Force Reduction will be accomplished only when a permanent vacancy has been created either by an eligible employee accepting a Manning Reduction Bonus or by normal attrition after the effective date of this agreement in the unit or department where the Manning Force Reduction is to occur.

In the case of a Department in which there are to be Manning Force Reductions in more than one (1) seniority unit, and (i) such reductions are to be accomplished by attrition (normal or induced) and (ii) such attritions are not sufficient to cover the reductions, the Plant Implementation Committee shall decide which seniority unit is to be affected first on the most equitable basis using seniority principles.

For the purpose of this agreement normal attrition shall not include a discharged employee.

B. Manning Reduction Bonus

As is more fully detailed in Section II of this agreement, there will be a Manning Reduction Bonus of $1,000 per year of company continuous

service up to a maximum of $25,000 which will be offered first to permanent members of the affected seniority unit, second to permanent members of the affected department, and third to employees throughout the plant. Within each group (unit, department, and plant) employees will be offered the Manning Reduction Bonus in order of their plant continuous service.

**C.** No layoff

No permanent or temporary employee will be laid off as a result of implementation of this agreement.

**D.** No Loss of Seniority Incumbency Rights

No employee shall lose incumbency rights in a seniority unit as a result of this agreement.

**E.** Protection of Earnings

**1.** Any employee whose earnings are reduced as a result of this agreement, including his inability to qualify on a new or modified job, will be entitled to 100% earnings protection based on his average earnings during the seven (7) successive pay periods immediately preceding such reduction. Such earnings protection will continue until the employee (a) attains permanent rights to a job on which he receives earnings in seven (7) successive pay periods that are equal to or greater than the level of his earnings protection or (b) fails to accept permanent assignment or assert permanent assignment rights to a job in his home seniority unit on which he could have received earnings in the seven (7) successive pay periods that are equal to or greater than the level of his earnings protection or (c) assignment at his own request to a job with lower earning opportunities. An employee will not lose earnings protection by reason of failing to bid on a job which would deprive him of recall rights in his home seniority unit.

2. Increased Incentive Earnings

Where a Manning Force Reduction(s) occurs on a job(s) covered by an incentive plan(s), and where the earnings level of the plan(s) would be increased as a result of the Manning Force Reductions, the remaining employees covered by the affected plan will receive the resulting increased earnings, except to the extent that the increased earnings opportunities under the plans exceed thirty (30) percentage points unless otherwise agreed by the Plant Implementation Committee. The increased earnings opportunity limit will apply only to earnings increases resulting from Manning Force Reductions. There shall be no downward adjustment or loss of incentive earnings as a result of the implementation of this agreement.

F. Reevaluation of Jobs

Any job to which duties are added or which is the result of a reallocation of duties under this agreement will be reclassified under the Master Job Description and Classification Manual as if it were a new job without regard to the one full job class change requirement for existing jobs. There shall be no downward classification of any job as a result of this agreement.

G. Non-Precedent Setting

Neither this agreement nor any of the manning changes made under this agreement *will be used as a precedent for any purpose in* the future.

H. Protection of Local Agreements and Practices

Existing local agreements and practices shall not be modified as a result of this agreement except to the limited extent necessary to implement this agreement.

**II.** Income Protection

**A.** Manning Reduction Bonus

**1.** Amount of Bonus

One Manning Reduction Bonus will be offered for each force reduction as identified on Exhibit A. The amount of each such Manning Reduction Bonus will be calculated by multiplying $1,000 by the number of years and fractional years of company continuous service of the eligible employee receiving such Bonus, provided that the maximum amount of any such Bonus shall be $25,000.

**2.** Payment of Manning Reduction Bonus

A Manning Reduction Bonus shall be paid, at the option of the employee receiving such Bonus, in one of the following two ways:

**a.** A one-time lump sum payment to be made within 21 days following the employee's last day worked; or

**b.** Fifty percent of the total Bonus to be paid within 21 days following the employee's last day worked, and the balance to be paid in January of the following calendar year.

**3.** Offer and Acceptance of Bonus

**a.** A Manning Reduction Bonus shall be offered in order of plant continuous service to all the eligible employees in a Priority Level before the Bonus is offered to the employees in a succeeding Priority Level.

**b.** The Priority Levels for offering a bonus shall be as follows:

First Priority Level-the seniority unit in which the Manning Force Reduction will occur.

Second Priority Level-the department in which the Manning Force Reduction will occur.

Third Priority Level-the remainder of the plant (subject to the provisions of subparagraph d. below).

**c.** All eligible employees (including employees contesting their discharge) at all Priority Levels shall be notified in writing by the Company at their last known address on the records of the Company of the Bonus offers and shall have sixty (60) days within which to notify the Company in writing at the plant employment office of their interest in accepting such offers.

**d.** If the offerees in the first and second Priority Levels do not claim all available Manning Reduction Bonuses, the Plant Local Implementation Committee for the involved Local Union will meet for the purpose of deciding the manner in which the remaining bonuses may be best utilized to accomplish the objectives of this agreement. In the event that the Plant Local Implementation Committee is unable to reach agreement, the remaining bonuses will be offered to employees throughout the plant.

**e.** For the purposes of this agreement the term eligible employee(s) shall include laid off employees who are recalled during the sixty (60) day period provided for in the preceding subparagraph and any individual who was on discharge status at the time the Manning Reduction Bonus was offered provided that all offerees shall have a minimum of 60 day's notice of the Manning Reduction Bonus offer. In the case of a discharged employee whose discharge is being contested and who notifies the Company of an interest to accept the offer pursuant to paragraph II-A-3-c of this Agreement, the matter will be referred to the Plant Implementation Committee for resolution; however, in no event shall resolution of the matter result in the Company's having to provide an additional bonus.

In the case of a permanent vacancy created because of the elimination or combina-

tion of a job which is not occupied at the time of the offer of Manning Reduction Bonuses for reasons such as temporary equipment outages or seasonal job manning, the status of the laid off employee or employees who would have been recalled if that job had been reactivated shall be reviewed by the Plant Implementation Committee to determine eligibility under the terms of this Agreement.

f. The Company may delay the date on which an eligible employee who accepts a Manning Reduction Bonus may terminate his employment for a reasonable period of time not to exceed six months if such delay is necessary to assure continuity of operations. The employee will be paid interest on the Bonus amount at the current Passbook savings account rate of the bank on which the check is drawn.

4. Vesting

The right to receive a Manning Reduction Bonus shall vest in the employee as of the date the employee accepts the offer of the Bonus or, if the offer was improperly withheld, would have accepted the offer if it had been made. Accordingly, if an employee dies before a vested Bonus is paid, his designated beneficiary shall be entitled to receive the Bonus. In the event he does not designate a beneficiary, his designated Company life insurance beneficiary shall be entitled to receive the Bonus.

B. Medical Insurance

1. Employee Eligible for Retirement

An employee accepting a Manning Reduction Bonus who is at the time of acceptance eligible for any retirement as defined by the Settlement Agreement dated September 10, 1992 and insurance benefits under the Program of Hospital-Medical Benefits for Eligible

Pensioners and Surviving Spouses which is in effect at the time of his retirement will receive those insurance benefits.

2. Employee Not Eligible for Retirement

An employee accepting a Manning Reduction Bonus who is not eligible for retirement and insurance benefits under the Program of Hospital-Medical Benefits for Eligible Pensioners and Surviving Spouses will be provided with insurance benefits under the Program of Insurance Benefits Plan for active employees which is in effect at the time of his termination based on the following schedule:

| Years of Continuous Service | Period of Insurance Coverage Following Date of Termination |
|---|---|
| 0 but less than 2 | Until end of month of termination |
| 2 but less than 10 | 6 months |
| 10 but less than 20 | 12 months |
| 20 or more | 24 months |

III. Number and Nature of Manning Force Reductions

The local parties have discussed the number of Manning Force Reductions that the Company believes can be accomplished at each plant on a Local by Local basis and the nature of the job changes that the Company proposes to make in order to accomplish such Manning Force Reductions.

As a result of these discussions, it is agreed that the Company shall accomplish such Manning Force Reductions under this agreement. Exhibit A of this agreement is a list of those Manning Force Reductions that will be accomplished at each plant (on a Local by Local basis).

IV. Implementation Procedure.

A. Plant Implementation Committees

At each plant an Implementation Committee shall be established for each Local Union comprised of three representatives from the Company and three representatives from the Local Union. The Committee will be established within fifteen (15) days after the effective date of this agreement. The Committee, in coordination with headquarters representatives of the Company and the International Union, will be responsible for implementing this agreement.

B. Company Proposal

The Company members of the Committee shall initiate the implementation process by submitting a proposal, consistent with Exhibit A, which identifies:

1. Each new job to be implemented.
2. Each job to be modified.
3. Each job to be eliminated.
4. Changes in crew composition, job realignment and seniority units.
5. To the extent practicable, the names of all employees who would be affected by each element of the proposal, and the manner in which each such employee would be affected categorized in terms of each element of the proposal.

C. Union Response

The Union members of the Committee shall respond no later than thirty (30) days following receipt of the Company's proposal which could include substituting equivalent manning force reductions in place of those listed on Exhibit A while maintaining the total numerical commitment.

**D.** Committee Deliberations

The Committee shall endeavor to reach agreement with respect to the differences in implementation between the Company's proposal and the Union's response. The Committee may agree to substitute equivalent Manning Force Reductions in place of those listed on Exhibit A while maintaining the total numerical commitment. In the event the Committee is unable to reach agreement within sixty (60) days after submission of the Union's response, either party may appeal the matter to arbitration before the Board of Arbitration or Umpire, in which event the matter shall be specifically scheduled for hearing not less than thirty (30) days and not more than sixty (60) days after the docketing of such appeal.

**E.** Standards for Arbitration

In deciding any such appeal the arbitrator shall be bound by the following:

**1.** The Manning Force Reduction Commitments set forth in Exhibit A of this agreement.

**2.** The most equitable means of achieving such Manning Force Reductions at the plant and where possible the least change to existing seniority units, lines of progression, crew sizes, and local practices.

**3.** All provisions of this agreement.

**F.** Arbitrator's Decision

The arbitrator shall render his award on or before one hundred and eighty (180) days from the date of the Company's initial submission of its proposal to the Union.

**V.** General Safeguards-Seniority

All modifications in existing seniority units shall be consistent with the collective bargaining agreement and subject to approval by the Joint Review Committee.

## EXHIBIT A

## PROPOSED 1992 MANNING REDUCTIONS*

| Location | Local Union | Total Force Reductions (Equivalent Employees) |
|---|---|---|
| Indiana Harbor | | |
| -Flat Roll | 1011 | 53.6 |
| -Tin | 1011 | 29.7 |
| Hennepin | 7367 | 14.0 |
| Cleveland | 185 | 1.7 |
| | 188 | 9.0 |
| Aliquippa Tin | 1211 | 29.7 |
| TOTAL | | 137.7 |

| Location | Local Union | Total Force Reductions (Equivalent Employees) |
|---|---|---|
| Chicago Coke | 1033 | 2.8 |
| Cleveland | 1098 | 5.2 |
| | 1157 | 15.6 |
| | 2265 | 18.6 |
| Tubular | | |
| -Youngstown | 1331 | 3.0 |
| TOTAL | | 45.2 |

*Manning reduction detail by local union is printed in the June 28, 1993 Labor Agreements

# APPENDIX OO

## LETTER AGREEMENT ON CONTRIBUTIONS TO LTV STEEL-USWA PENSION PLAN – GRIEVANCE RESOLUTIONS

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**

**Dear Mr. McCall:**

This will confirm our understanding reached in connection with the Negotiation of the **1999** Labor Agreement with respect to contributions to the LTV Steel Pension Plan resulting from grievance resolutions.

Should it be determined in the Grievance and Arbitration Procedure that a grievant(s) should be made whole for specific hours of lost pay which exceed eight (8) hours, the Company shall make the appropriate contribution to the account of the grievants in the LTV Steel Pension Plan for all hours made whole.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
/s/ **David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

# APPENDIX PP

## LETTER AGREEMENT REGARDING THE ESTABLISHMENT OF JOINT PLANT PENSION AND INSURANCE COMMITTEES

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**

***Dear Mr. McCall:***

This will confirm our understanding reached in connection with the Negotiation of the **1999** Labor Agreement with respect to the establishment of joint Plant Pension and Insurance Committees.

At each plant, with each local union, a Plant Pension and Insurance Committee shall be established, comprised of three (3) representatives designated by the local union and three (3) representatives designated by plant management which shall meet periodically for the purpose of reviewing local pension and/or insurance problems at their facility. The Committee shall attempt to facilitate the resolution of any such problems, but shall have no jurisdiction over the filing or processing of grievances or disputes.

Additionally, the Committee shall consider ways and means to advance the goal of health care cost containment and make appropriate recommendations to the Company/ International level Joint Health Care Cost Containment Committee.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
/s/ **David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

## APPENDIX QQ

## MEMORANDUM OF UNDERSTANDING ON UNINTERRUPTED OPERATIONS

The parties recognize that an effective way to determine commitment to the successful reorganization of LTV Steel is to constantly improve the utilization of people and equipment.

In order to achieve these improvements, the parties agree that at each of the Company's plant locations, uninterrupted operation of all production and service units is established.

Elements of uninterrupted operations include, but are not limited to continuous unit operation, flexible and reasonable time for personal needs and lunch at a suitable site (whether on or off the job), and "on the job buddy relief" or work commencing at the job site at the start of the turn and concluding at the end of the turn.

Although the parties have reached agreement on the establishment of uninterrupted operations, the parties also recognize that in order to achieve the desired results of these improvements, the individual needs of employees must be recognized and addressed.

Therefore, the parties have agreed that at each of the Company's locations, a Joint local Plant Implementation Committee (for each Local Union) consisting of two representatives from the Local Union and two representatives from the Company shall be established at each plant location to resolve any implementation issues not

resolved by the involved employees, including methods by which employees may continue to have required lunch and personal needs time. Such Committee shall be required to conclude on all implementation matters within 120 days of the effective date of the Labor Agreement, unless extended by mutual agreement.

Any implementation dispute that cannot be resolved by the Plant Implementation Committee may be submitted to the Co-Chairmen of the Negotiating Committee or their designated representative for final resolution.

If the Co-Chairmen are unable to resolve the issue, it will be submitted to the arbitrator pursuant to a procedure agreed upon by the Co-Chairmen. In resolving disputes under this Appendix, the arbitrator shall equitably accommodate the company's need for efficiency in uninterrupted operations with employee needs for reasonable personal needs time and reasonable time for lunch at a suitable site. In addition, the arbitrator shall consider personal needs and lunch arrangements in comparable production and service units at plants of the company where uninterrupted operations in such units was in effect before the effective date of this Agreement.

In recognition of the enhancements to productivity provided by uninterrupted operations, enhancements to the operating and service unit incentive plans shall be provided as set forth on the attached Exhibit I.

## EXHIBIT I

## *IDLE TIME ELIMINATION INCENTIVE BENEFIT PROPOSAL*

- Applicable to all operating and service units covered by direct measurement incentives and which have been identified as incurring idle time.
- Two phase incentive benefit from elimination of idle time.

Application of Existing Incentives

- All improved earnings resulting from maximizing available productive time will flow to unit operating crews and other tie-in maintenance and/or service groups through existing incentive structure.

Transitional Implementation Bonus

- For each such operating and service unit incentive, base earnings performance for a representative period prior to implementation will be calculated.
- Subsequent to implementation, actual performance under each plan for each calculation period will be compared to the base performance.
- The increase in performance (measured as % pay points) over the base for the period will be multiplied by a factor of .5 and the result will be added to the actual performance.
- The transitional implementation bonus will be paid only to employees on jobs covered by the respective incentive and will not be paid to employees on tie-in plans.
- The transitional implementation bonus calculation will remain in effect for one year after implementation.

## ILLUSTRATION

| | |
|---|---|
| -Base incentive pay | 40.2% |
| -Actual turn performance after implementation | 49.0% |
| -Increase over base | 8.8% |
| -Transitional bonus (8.8% x .5) | 4.4% |
| -Total incentive pay (49.0% + 4.4%) | 53.4% |

## APPENDIX QQ-1

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

During the negotiations of the September 10, 1992 Settlement Agreement, the Parties recognized the necessity of shaping an agreement that addressed issues necessary for the successful reorganization of LTV Steel and, at the same time, addressed issues of paramount importance to the employees, especially the very difficult issue of providing significant pension improvements. The Parties acknowledged that these were long-term goals requiring long-term solutions. Towards this end, a program encompassing significant long-term restructuring and improvements to the pension program, along with long-term restructuring of medical insurance delivery and efficiency improvements, were adopted including those found in Appendices I and J of the Settlement Agreement.

In the negotiations of the **August 1, 1999**

Labor Agreement, a number of issues were raised by a number of the Local Union Presidents on your Committee regarding the implementation of Appendices I and J of the 1992 Settlement Agreement (Appendices EE and QQ of the Labor Agreement). These issues included the scope of minor maintenance duties to be added to operating and service jobs, travel and tool cleaning time for unassigned maintenance employees, lunch arrangements for employees which were established pursuant to Appendices EE & QQ and wash-up time for employees working in regulated areas of the Chicago Coke Plant. Recognizing the interdependence of the elements that made up the 1992 program and the necessity of insuring the long-term pension solution as it was created and will be built upon in the future, the following is understood to address the implementation issues outlined above.

For the term of the **August 1, 1999** Labor Agreement employees in non-craft (operating/service) jobs will only be assigned to perform maintenance duties added to their job under Appendix EE of the Labor Agreement on turns scheduled for start-up or unit operations unless otherwise agreed by the local parties.

Certain of the non-craft jobs throughout the Company classified at Job Class 4 or lower have received new duties under the provisions of Paragraph 1 of Appendix EE which Local Plant Management has advised the Local Union do not affect the job class of the job. A special Job Classification Task Force comprised of one Company Representative from the Headquarters and one International Union Representative from the Headquarters will be formed to resolve all disputed classification issues of Job Class 4 or below with such resolution occurring within 90

days of the effective date of the Labor Agreement.

Jobs and units which met the definition of uninterrupted operations as defined in Appendices EE or QQ prior to the adoption of these Appendices are not affected by their provisions, however, other jobs/ units, including those associated with uninterrupted operations units, which may not meet the definition have to be viewed on their own to determine if they comply with the uninterrupted operations definition.

If, in the implementation of uninterrupted operations under the provisions of Appendix QQ of the Labor Agreement, the use of natural breaks is the sole procedure to provide lunch agreed to between Plant Management and the Local Union, then on any turn when a natural break does not occur during the third or fourth hours of the turn, then a break for lunch will be provided.

To date, the Parties at the Chicago Coke Plant have not been able to resolve the issue of wash-up time for employees required to change clothes and shower as a result of working in a regulated area. To resolve this issue the Local Unions of the Chicago Coke Plant and the Warren Coke Plant shall have the option of requiring current implementation of the terms of the 1993 Local Agreement resolving this issue at the Pittsburgh Coke Plant.

Where current agreements or procedures established under the provisions of Appendix EE of the Labor Agreement provide for a 20 minute lunch period for maintenance employees under normal circumstances, these procedures will not be changed during the term of the **August 1, 1999** Labor Agreement absent mutual agreement of the local parties.

On those units where lunch shutdowns were eliminated pursuant to the provisions of Appendix QQ of the Labor Agreement and employees have concerns that they are now required to eat lunch in areas unsafe or unhealthy, the suitability of the site will be promptly reviewed by the Local Plant Implementation Committee for resolution.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
/s/ **David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

## APPENDIX RR

## MEMORANDUM OF UNDERSTANDING ON EMPLOYEE DEVELOPMENT AND EDUCATION ASSISTANCE PLAN

The parties to this agreement recognize that to compete successfully in a global economy, investment in the development of human resources is as important as investment in equipment and technology. Education and training play a critical role in the personal development of each member of the work-force. It is the parties interest through the establishment of this program of Employee Development and Education Assistance to encourage each Employee to strive for continuous self-improvement and learning in order that a work environment may be established which allows each individual to rise to the level of his or her ability and effort. The achieve-

ment of this objective can only be accomplished through a partnership between Labor and Management that places a premium on a better educated, trained, adaptable and flexible work-force. In this manner, the parties can best insure that a competitive advantage exists for the enterprise, thereby insuring the employment of a skilled and motivated work-force.

**A.** PURPOSE

The purpose of the Employee Development and Education Assistance Plan (Plan) is to encourage and assist eligible Employees to continue their education, learning, personal development and improve their working skills. This may be done through an approved program leading to a recognized degree, professional certification or by individually approved courses subject to the provisions of this Memorandum.

**B.** COVERAGE

**(1)** Employee Eligibility

All Production and Maintenance Employees actively at work or on layoff who are continuing to accumulate service (other than part-time employees), with two years or more of continuous service, are eligible to participate in the Plan. Approval for participation is based on concurrence by Management that the proposed course of study or degree program meets the requirements of Subparagraph (2) below and that sufficient funds remain available for the Plan. In order to receive financial assistance under this Plan, an eligible Employee must secure prior approval to undertake a specific course of study at a specific institution. To qualify, the course must be taken on the Employee's own time and be of such a nature that it will not interfere with the Employee's performance of his regular duties. In case an eligible Employee quits or is

discharged prior to completion of an approved course of study, he shall not be entitled to any financial assistance under this Plan.

**(2)** Course Requirement

Courses to be taken by eligible Employees must be work related or part of a curriculum leading to a recognized work related undergraduate or graduate degree, professional certification or which would enable the Employee to become an effective union leader. Work related is defined to mean related either to the Employee's current work or to other work performed within the Company.

**C.** FINANCIAL ASSISTANCE

When an approved course has been satisfactorily completed, the Company will refund to eligible Employees 75 percent of the cost of tuition, registration, laboratory and other fees required by the institution, less state or federal taxes if any are applicable, subject to the following conditions:

**(1)** The maximum amount of financial assistance per Employee shall be $1000 within any 12 month period.

**(2)** The cost of related expenses such as books, special laboratory equipment, refundable laboratory (breakage) fees, transportation, meals or postage will not be reimbursed.

**(3)** Certain special fees are the responsibility of the Employee such as Entrance Examination Fees, Late Registration Fees, Substitute Examination Fees, or fees of like nature caused by the Employee's individual desires or failure to act.

**(4)** The Employee must submit evidence of satisfactory completion of an approved course and receipts showing the amount of tuition or fees paid. Satisfactory completion of a course

means the level of performance designated by the institution as passing.

**(5)** Employees participating in the program who are eligible to receive tuition benefits resulting from service in the armed forces, federal aid, state aid or scholarship aid will be eligible to receive from the Company only 75 percent of the portion of tuition and required fees not covered by such benefits.

**(6)** Financial assistance for approved courses completed satisfactorily while the Employee is on leave of absence will be paid only if the Employee was actively at work or on layoff at the time his participation in the course was approved.

**(7)** An Employee who is unable to continue an approved course because of action by the Company (other than discharge), or because of a change in his job or job assignment shall be reimbursed 75 percent of the difference between the amount of his advance payments for tuition, registration, laboratory and other fees required by the institution, and the amount of the refund to which the student may be entitled by the institution's regulations by virtue of the discontinuance of the course.

D. FUNDING

The source of funds for this Plan shall be drawn from the funds allocated pursuant to the retraining programs established during the 1994 labor negotiations (Appendix O of this Agreement) or from funds otherwise provided by the Company.

The funding level for the Plan shall not exceed a maximum of $500,000 per year during the term of this Agreement.

E. ADMINISTRATION

All Employees' applications for participa-

tion in this Plan must be filed by the Employee with the appropriate responsibility at the employing location sufficiently in advance of the start of a course to allow for completion of all approvals necessary under this Employee Development and Education Assistance Plan.

In the event the funding level of the Plan is insufficient to cover the requests awaiting approval for financial assistance, priority for the remaining approvals will be given to the eligible Employees with the greatest length of Company continuous service.

Where the local parties have established joint cooperative activities or undertaken a study to consider implementation of a New Work System, a Joint Employee Development and Education Council may be formed. Such Council shall consist of no more than two Management representatives and two Union representatives, and will have responsibility to establish procedures, and review and approve requests for assistance under this Plan. Meetings involving the administration of this Plan shall be conducted during normal working hours and each Employee member of the Council will be Compensated for time spent in such activities at his average straight time hourly rate of earnings as calculated under the Subsection providing pay for recognized holidays not worked.

At locations where the parties agree to implement New Work Systems, as provided for under Appendix CC of this Agreement, this Plan may be modified to meet localized need with the approval of the Co-Chairmen of the Negotiating Committee.

# APPENDIX SS

## MEMORANDUM OF UNDERSTANDING ON EMPLOYEE AND UNION INVOLVEMENT

**SECTION 1. Purpose and Intent**

The Union and the Company agree that their goal is to attain the objectives set forth in this Memorandum. They also agree that these goals can best be accomplished when information and decision-making authority as well as responsibility are shared at all levels of the business. Accordingly, the parties have agreed to work toward the objective of establishing a strategic alliance. This commitment to working together on an ongoing basis must extend from the Board Room and the Executive Office to the Shop Floor and the Union offices and be driven by a shared vision of the need for continuous improvement in joint decision-making processes, employee participation, the parties' relationship, and all aspects of the business.

The purpose of this Memorandum is to provide a framework for Union and employee participation in joint decision making, for full and continuing access by appropriate Union representatives to the books, records and information relevant to the purposes and objectives of this Memorandum, for enabling the implementation of new and innovative approaches to the way work is performed and the establishment of a comprehensive training and education program, all as further described herein.

The parties recognize that the changes contemplated by this Memorandum must evolve. Accordingly, the local parties must have the flexibility to design participative structures that best

meet their needs at any given time and that can change as changed circumstances and experience warrant.

**SECTION 2. Objectives**

In furtherance of their understanding on Employment Security, the parties have agreed to pursue the following objectives and commitments:

**A.** Full and timely access by the Union and all employees to information concerning Company decisions affecting the working lives of employees;

**B.** Improving the quality, service, productivity and competitiveness of the business and its products and seeking profitability on a sustained basis;

**C.** Joint mechanisms by which technology will serve the interests of both the business and the workers affected by the change;

**D.** Work environments that are safer, fairer, more equitable, less authoritarian and less stressful;

**E.** Reduction of all overhead costs, including managerial, supervisory, and other non-bargaining unit costs;

**F.** Understanding the current state of competitiveness and its relationship to "World Class" standards;

**G.** Increased worker responsibility and influence in workplace decision-making;

**H.** The ability to respond rapidly to changes in the marketplace, in products and in customer needs;

**I.** Encouraging the use of problem solving approaches to issues;

J. Commitment to higher skill development, better jobs, education and more productive utilization of a skilled workforce;
K. Compliance with public policy and environmental laws and regulations;
L. Acceptance and support by the Company of the Union and acknowledgment of its role as an essential vehicle in attaining these objectives;
M. Acceptance and support by the Union of the company and acknowledgment by the Union of its role as an essential vehicle in attaining these objectives.

**SECTION 3. Full and Continuing Access to Information**

At all times during the term of the Basic Labor Agreement, appropriate Union representatives (including consultants and advisors) shall have access to financial and operational information that is relevant to the development and implementation of the Business Plan (it being understood that, consistent with the Memorandum, the Company shall develop and carry out a Business Plan) as well as reasonable access to Company employees and advisors who are responsible for such information. As used in this Memorandum, the term "Business Plan" shall refer to the Company's short-term business plan and long-term strategic and operating plan, including such elements as those involving products, pricing, markets, capital spending, short and long-term cash flow forecasts, and the method and manner of funding or financing the Business Plan. Without limiting the foregoing, the Company shall provide the appropriate Union representatives with early practicable notification of any contem-

plated significant transactions, involving mergers, acquisitions, and continuing updates regarding dispositions, joint ventures and new facilities to be constructed or established by the Company, its subsidiaries, joint ventures, or other entities in which the Company has a financial interest. Access to and the use of this information will be covered by a confidentiality agreement in form and substance satisfactory to the parties.

The Union will provide the Company with appropriate information regarding Union activities, organizational changes, bargaining and political objectives, other plans or developments that might affect the Company and appropriate access to the Union officers and its Executive Board.

**SECTION 4. Comprehensive Training and Education Program for Committee Members, Bargaining Unit Employees, and Non-bargaining Unit Employees**

The parties recognize that the goals of this Memorandum can be attained only by a commitment to comprehensive and ongoing training and education. Accordingly, the Strategic Directions Committee and Joint Leadership Committees (established below) shall take steps to establish training programs necessary to the purposes of this Memorandum. All training shall be focused on the following objectives: the long-range mutual goals of the parties; problem-solving techniques; communication activities; skills, attitudes, behaviors and techniques for increasing the effectiveness of participation and involvement activities; and methods for determining and achieving joint goals. Without limiting the com-

prehensiveness or continuity of the training and education required by this Memorandum, such activities will, unless otherwise agreed to, include at least the following minimum standards and guidelines.

**A.** Both Company and Union representatives shall receive training by their respective organizations in how, consistent with their organization's goals, they can accomplish the objectives of this Memorandum through participation and involvement activities and such training shall, unless otherwise agreed to, include the following minimum levels.

1. All members of Joint Leadership Committees and any Coordinators and Assistants: five (5) days per year.
2. All members of the Joint Area Committees and the Joint Problem Solving Teams: twelve (12) days per year.
3. All other leadership figures of the local parties to this Memorandum: five (5) days per year.

**B.** By mutual agreement, the Strategic Directions Committee shall sponsor a program for at least annual orientation and appropriate training of all members of joint committees created under this Memorandum.

**C.** Each Joint Leadership Committee shall develop a training program designed to increase the skills of bargaining unit and non-bargaining unit employees concerning the subjects identified in this Section 4. Such program shall commence with instruction on how best to pursue organizational objectives through participation activities, such instruction to satisfy the following minimum levels: for bargaining unit employees, a one-day Union-taught orientation session; for front line supervisors,

managers, and other excluded personnel, a one-day management taught orientation session.

D. The Company shall fund all training programs referred to in this Section, including employee time spent in such training as though it were time worked, and no employee shall suffer a loss of earnings as a result thereof.

E. Training referred to in this Section, other than Union training, shall be jointly developed and implemented.

F. **In the event that the Union determines that it is necessary to engage the services of consultants in connection with the Union-only training provided for in this Appendix, the Company will pay the fees and expenses of such consultants (who will be chosen exclusively by the Union), up to a total of twenty-five thousand dollars ($25,000) per full calendar year.**

**SECTION 5. Involvement mechanisms**

A. Joint Strategic Directions Committee

1. Appointment and Composition

A Joint Strategic Directions Committee ("Strategic Directions Committee") shall be established. The Co-Chairmen of this Committee will be the Co-Chairmen of the LTV Steel Negotiating Committee. The other members will be the President and Chief Operating Officer of the Company, the Senior Vice president of Flat Rolled Operations, the Vice President/General Manager of Tin Mill Products, and the Vice President/General Manager of Tubular Products, and the District Directors for *Districts 10, 28, 31, 33 and (if the* Chairmanship of the Union Negotiating

Committee should change) 32, unless one of these District Directors is serving on a similar committee at another steel company. If any of the designated District Directors cannot serve on the Committee, the Union Co-Chairman of the Negotiating Committee shall appoint an International Staff Representative from the respective District who is serving on the respective Joint Leadership Committee at the operation.

2. Role of the Strategic Directions Committee
The Strategic Directions Committee shall:
   a. be responsible for fostering an overall environment which encourages the achievement of the objectives of this Memorandum, and
   b. have the authority and responsibility to reach agreement on issues relating to: the objectives set forth in Section 2 of this Memorandum; issues or programs arising under Section 5-B-5-b ("Workplace Redesign") of this Memorandum, including but not limited to any proposed plans for restructuring the workplace; issues involving the effects of technological change referred to the Strategic Directions Committee pursuant to Section 5-B-5-c-(4) ("Union Joint Decision-making Authority with Respect to Effects of Technological Change") of this Memorandum; and significant issues that may arise relative to the implementation of this Involvement Program at the Plants.
   c. The Union members of the Strategic Directions Committee shall have joint

decision-making authority with respect to the Business Plan as defined above as well as significant technological changes as defined in Section 5-B-5-c-(5) of this Memorandum.

3. Meetings
   a. The Strategic Directions Committee shall hold its meetings in Cleveland, Ohio (or at another location as agreed), before or after, and in conjunction with the regularly scheduled Quarterly Strategic Business Progress Meetings referred to immediately below. These meetings will be for the purpose of reviewing and ensuring progress in the development and implementation of Strategic programs covered by this Memorandum. A review of and discussion of the current business status and future outlook for the Steel Company will be a regular agenda item at these meetings.
   b. All members of the Strategic Directions Committee shall have the opportunity to attend and participate in the Quarterly Strategic Business Progress Meetings normally held in Cleveland, Ohio between the President and Chief Operating Officer, the Vice Presidents of the major plants, and other managers. Nothing in this Memorandum shall permit the Union members of the Strategic Directions Committee to participate in the portion of such Meeting in which the subject matter involves the Company's strategy for collective bargaining negotiations, grievances and other labor relations issues or legal

claims, including, without limitation, lawsuits or administrative proceedings involving the Union or employees of the Company, salaried compensation, management development activities, and similar personnel matters.

c. In the event that the Company's current practice of holding Quarterly Strategic Business Progress Meetings in Cleveland is changed, the meeting and access procedures established in this paragraph 3 shall be adjusted to be consistent with the changed practice.

4. Information

The Strategic Directions Committee shall receive detailed and in-depth reports regarding all significant business and labor matters relating to: the Business Plan; technological changes and plans; manpower planning; safety and health measures; customer evaluation; major organizational issues; facilities utilization; and other significant issues and concerns raised by the members of the Committee.

5. Reports

Consistent with Section 3 above, the Strategic Directions Committee shall report to Local Union and management personnel (who shall include all members of Joint Leadership, Area, or Problem Solving Committees) on matters such as: activities of the Strategic Directions Committee, major issues being considered by the Strategic Directions Committee and information relevant thereto; and other information to keep the Local Union leadership and management informed and capable of further discussion of issues

related to the Company and the Union.

6. Access to Board of Directors
The Union members of the Strategic Directions Committee (and their advisors) shall have the right to appear before and be heard by the Board of Directors at appropriate times on matters as mutually agreed upon and of concern to the Strategic Directions Committee, and such access shall be given as agreed to by the Board prior to the Board reaching a decision on such matters.

7. Additional Participation Mechanisms
**In addition to the meetings provided for in section 5.A(3) the Company and the Union agree that they will conduct two two-day meetings (the first day for separate meetings for each of the parties for preparation) during each full calendar year covered by the term of this August 1, 1999 Basic Labor Agreement. The meetings will be arranged for and administered by the Co-Chairmen of the LTV Steel Negotiating Committee. Union participants at the meetings shall include the local union presidents (or Unit Chairs) and grievance committtee chairmen of the facilities covered by this Basic Labor Agreement. The Company will pay reasonable travel expenses (i.e. airfare coach, hotel and per diem – subject to appropriate documentation) and lost time earnings as determined for vacation pay for such participants, as well as such other employees invited to such meetings by the Union, it being understood that no more than a total of twenty-five (25)**

**employees will receive such payment for any meeting. The Union will be permitted to invite additional participants, at its own expense, including USWA staff. The Company shall select appropriate counterparts to attend such meetings. The meetings will be held in proximity to facility locations.**

B. Joint Leadership Committees

1. Appointment and Composition

The parties shall establish a Joint Leadership Committee ("Leadership Committee") at the following plant locations: Cleveland Works (where a separate Joint Leadership Committee shall be established for the DHCC), Indiana Harbor Works (where a separate Joint Leadership Committee shall also be established for the IHW Tin Mill), Hennepin Works, Aliquippa Tin Mill, Warren Coke Plant, LTV Steel Mining, Youngstown Tubular Plant, Cleveland Tubular Plant, Counce Tubular Plant, and Elyria Tubular Plant. The members of this Committee at each plant shall be equally divided and shall include the Plant Manager (or his designee), the Labor Relations Manager, the Local Union President(s) and the appropriate District Director. No member of the Leadership Committee shall serve on a similar committee at another steel company. If the appropriate District Director cannot serve on the Committee, the Union Co-Chairman of the Negotiating Committee shall appoint an International Staff Representative from the respective District to the Leadership Committee. The Plant Manager and the District Director (or his

appointed replacement) will be the Co-Chairmen of this Leadership Committee.

2. Role of the Leadership Committees
The Leadership Committees will be responsible for developing and implementing programs to achieve the objectives of Section 2 of this Memorandum.

3. Meetings
The Leadership Committee shall most monthly (and may meet jointly with other committees) or as otherwise agreed to. These meetings will also provide an opportunity for the Committee to engage in an open and candid exchange of information and ideas in order to identify, investigate and develop solutions to matters and problems of mutual concern.

4. Information
At each meeting, the Leadership Committee shall discuss the general business affairs of the company and shall review reports of and discuss the prior month's business results and the near-term business outlook as it impacts the areas of responsibility of the Leadership Committee. Such discussions will include a comparison of year-to-date results with the current Business Plan, including significant issues and actions impacting the current Business Plan, major developments affecting the future of the business, cost performance, quality performance, and shipments; the production plan for the next month; manpower planning; investment plans for the Plant and performance compared to those plans; safety and health performance; activities and needs of any area committees or Problem Solving

Teams; and other issues and concerns of interest to the parties.

5. Scope of Responsibility
   a. Existing Programs
      The Leadership Committee shall support current and future improvement programs jointly established pursuant to the Labor Agreement and ensure they are consistent with the objectives of this Memorandum.
   b. Workplace Redesign: Approval Requirement
      (1) Authorization
      Either at the request of the Strategic Directions Committee or by decision of the Leadership Committee (which shall include the assent of a majority of the Union members of the Leadership Committee), the Leadership Committee may decide upon a Workplace Redesign Program affecting the bargaining unit. An "Approved Work Redesign Program" within the meaning of this Memorandum is a Workplace Redesign Program that includes: the establishment of operating work groups or teams or self-directed work teams or groups; or the implementation of other new and improved ways of performing work as attrition removes bargaining unit and excluded personnel from the plant or facility. Approval must be obtained from the Strategic Directions Committee (which shall include the assent of a majority of the Union members of the Strategic Directions Committee).
      (2) Required Elements
      Any Workplace Redesign Program in the bargaining unit that involves the establishment of operating work groups or teams or self-directed work teams or groups must: be a joint endeavor; cause the workplace to be more open,

more safe, more equitable, less authoritarian and less stressful; reduce substantially the level of supervision; change the role of supervisors from directing to coaching; and give the workers greater influence, responsibility and input into day-to-day operations, including, if the committee so determines, planning, scheduling and administrative functions not traditionally performed by bargaining unit members.

c. Technological Change

The Leadership Committee shall establish a new technology development and implementation program (Technological Change Program) which shall include the following elements:

(1) Advance Notice

The Company shall provide the Leadership Committee advance notice of any proposed significant technological change no later than the time the Company's outline of various options with respect thereto is first developed. Such notice shall be in writing, shall contain to the extent possible supporting information outlined below, and shall include updates of new or revised information necessary to full and current understanding of the proposed change. In the case of emergency technological changes, the Company shall give the maximum notice and information possible under the circumstances.

(2) Information

Within the time periods referred to above, the Company shall give the Leadership Committee the following information:

(a) a description of the purpose and function of the technological

change, and how it would fit into existing operations and processes;

**(b)** the estimated cost of the technology, a cost justification of it, and the proposed timetable for it;

**(c)** disclosure of any service or maintenance warranties or contracts provided or required by the vendor (if any);

**(d)** the number and type of jobs (both inside and outside the bargaining unit) which would be changed, added, or eliminated by the technological change;

**(e)** the anticipated impact on the skill requirements of the work force;

**(f)** details of any training programs connected with the new technology (including duration, content, and who will perform the training);

**(g)** an outline of other options which were considered by the Company before formulating its proposed changes; and

**(h)** the expected impact of the change on job content, pace of work, safety and health, training needs, and contracting out.

Union representatives on the Leadership Committee May request and receive reasonable access to Company personnel knowledgeable about any proposed technological change (including outside consultants) to review, discuss, and receive follow-up information concerning any technological changes proposed by the company or Union or their effects on the bargaining unit.

The use of the information contemplated by this subsection will be covered by a

confidentiality agreement in form and substance satisfactory to the parties.

(3) Union Involvement In Company Decisions to Make Technological Changes

With respect to any company decision whether to make a technological change, Union representatives on the Leadership Committee may initiate discussion and consideration of technological changes that are new or different from those proposed by the Company. In all events, the views expressed by the Union members of the committee shall be considered by the Company.

(4) Union Joint Decision-making Authority with Respect to Effects of Technological Change

The Union members of the Joint Leadership Committee shall have joint decision-making authority with their Company counterparts over the effects of Company decisions under the immediately preceding sub-paragraph (3 above, including the following: the number and type of jobs required by the changed technology; the skill and training requirements for each such job; the details of any new or changed training associated with the technology; the inclusion of such job in the bargaining unit; any new work rules or operating procedures associated with the technology; and any health, safety, or environmental programs required by the technology. In the event the Joint Leadership Committee is unable to reach agreement with respect to any matter involving the

effects of technological change not already provided for by other provisions of the Basic Labor Agreement, either party may submit such dispute to the Strategic Directions Committee for its consideration and resolution of the matter.

(5) As used herein, the term "technology" shall mean significant advances in machinery, equipment, controls and materials, and changes in software that significantly change the content of bargaining unit jobs. The phrase "technological change" shall mean introduction of new technology, significant changes in existing technology, or both.

Any Technological Change Program proposed by a Joint Leadership Committee shall be subject to the approval of the Joint Strategic Directions Committee.

C. Area Committees

1. The Leadership Committees shall establish Area Committees in specific departments, operational units or divisions for purposes as outlined herein, and as agreed to by the parties. The Area Committee cochairs shall be the Grievance Committeeperson responsible for the zone in which the Area Committee is established and a Superintendent or Supervisor from the area selected by Management. Additional members of the Area committee shall be drawn equally from the Company and Union.
2. Area Committees shall study matters assigned to them by the Leadership Committee or as they may agree upon and report any findings back to the Leadership

Committee. Such matters may relate to, among other things, continuous improvement in quality, customer satisfaction, costs, job enrichment/enhancement, safety and improved worklife. Upon direction of a Leadership Committee, Area Committees may: (i) devise measurements and goals to meet plans adopted by the Leadership Committee; and (ii) be responsible for communicating plans, results, business information, and overall employee involvement updates to the employees in their area and to the Leadership Committee.

3. Area Committees shall receive the resources (including problem solving training and information) necessary for them to determine the best solution to specific problems. The Area Committees shall not have the authority to modify, detract from, or delete any portion of the Local Seniority Agreement or the Basic Labor Agreement, without the agreement of the Strategic Directions Committee.

**D.** Problem Solving Teams

1. By joint agreement, the Leadership Committee or Area Committees may create one or more Problem Solving Teams to study and report back on a specific problem or project. They shall receive the resources (including problem solving training and information) necessary for them to determine the best solution to specific problems.

**E. Process and Control**

**All Union participants involved in the Partnership process shall be chosen and removed from the process exclusively by**

**the relevant Local Union President (or Unit Chair) and the Union Chairman of the Negotiating Committee.**

**SECTION 6. Employee Communications**

**A.** Critical to the accomplishment of the objectives of this Memorandum is timely, ongoing, and unimpeded communication between and among the committees created by this Memorandum and employees. Accordingly, the parties agree as follows:

1. The results of any meetings of Joint Committees created by this Memorandum, including the information and opinions exchanged, the conclusions reached, and the level of participation achieved may be conveyed as the parties shall decide to all employees through their working groups by joint communications from Union representatives and department supervision.
2. Leadership Committees shall encourage behaviors, attitudes, forums, and opportunities that enlist the know-how and ingenuity of workers in achieving the goals of this Memorandum. Leadership Committees may convene meetings of any combination of employees, Area Committees, and Problem Solving Teams to advance *the purposes of this Memorandum.*
3. As the activities fostered by this Memorandum proceed, it is expected that joint committees will need to consult with and observe the work of committees within the Plant or at other Plants within and outside the Company. The Strategic Directions Committee may consider appropriate means for disseminating reports of the

activities of the Leadership Committees, Area Committees or Problem Solving Teams among each other.

**SECTION 7. Safeguards and Resources**

**A.** *Except as may be approved by the Strategic* Directions Committee and subject to Section II-B of the Basic Labor Agreement, no joint committee may amend or modify the Basic Labor Agreement.

**B.** No committee authorized by this Memorandum may effect any action with respect to contractual grievances.

**C.** Service on any Leadership, Area, or Problem Solving Committee or Team created under this Memorandum shall be voluntary.

**D.** The Union will strive to be a full participant in the processes and mechanisms established by this Memorandum and bargaining unit Employees will be encouraged and expected to perform their duties within the parameters established hereunder. However, no Employee may be disciplined or discharged for lack of commitment to participation or involvement processes.

**E.** Employee participation and training shall normally occur during normal work hours and the Employee shall be compensated in the same manner as set forth in Section 4-D above.

**F.** No committee established under this Memorandum may recommend or effect the hiring, discipline, or discharge of any Employee.

**G.** At the invitation of the Co-Chairs of any committee created hereunder, appropriate Union representatives, Company representatives or outside experts may attend a committee

meeting.

H. All meeting time and necessary and reasonable expenses of joint committees shall be paid for by the Company and Employees attending such meetings shall be compensated in the same manner as set forth in Section 4-D above. The parties will develop procedures for determining appropriate expenses to be paid by the Company.

I. Union members on joint committees shall be entitled to: adequate opportunity on Company time to caucus for purposes of study, preparation, consultation, and review, and shall be compensated in the same manner as set forth in Section 4-D above. Requests for caucus time shall be made to the appropriate Company management representative in a timely manner, and such requests shall not be unreasonably denied.

J. Joint committees may agree to employ experts from within or outside the Company as consultants, advisors or instructors and such experts shall be jointly selected and assigned.

**SECTION 8. Final Decision Making Authority**

A. The parties have entered into this Agreement for the purpose of making the Union and the *employees participants in the joint decision* making process of the Company. After sharing information and fully discussing and exchanging ideas and fully considering all views about issues of mutual interest and concern to the parties, decisions should be reached that are satisfactory to all. However, it is understood that the parties may not

always agree.

**B.** With respect to Section 5-A-2, after the Union members of the Strategic Directions Committee have been given a full opportunity to be heard and their views fully considered, the management person responsible for the matter shall have the right to make the final decision in the event of disagreement regarding a matter as to which, absent this Memorandum, management has the right to make a unilateral decision, and such decision shall not be subject to the grievance procedure. Similarly, with respect to other management committees on which Union representatives will participate by reason of this Memorandum, after the Union representatives have been given a full opportunity to be heard and their views fully considered, the management person responsible for the matter shall have the right to make the final decision in the event of disagreement regarding a matter as to which, absent this Memorandum, management has the right to make a unilateral decision, and such decision shall not be subject to the grievance procedure.

**C.** With respect to any matter in this Memorandum which deals, in part, with various matters as to which Management has not heretofore had the unilateral right to make decisions, this Memorandum gives Management no greater right to make unilateral decisions regarding such matters than it would have in the absence of this Memorandum.

**D.** Finally, while the final decisions of Management with respect to matters over which, absent this Memorandum, Management has the unilateral right to make a decision are not subject to the grievance procedure, the

process of decision making (including the full participation of the Union representatives and employees in the process as provided in this Memorandum and the Company's commitments concerning information, access, and training in this Memorandum) is subject to the grievance procedure and arbitration. As to a particular decision, the Company's failure to follow the procedural requirements of this Memorandum shall not be the basis for preventing the implementation of that decision. Should the parties be unable to agree on a specially designated arbitrator to hear and decide any such dispute concerning procedural requirements, the dispute shall be heard by the arbitrator provided for under Section VII of the **Basic Labor Agreement**.

## APPENDIX SS-1

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

This letter will confirm our understanding reached during the negotiation of the **1999** Labor Agreement in regard to the implementation of the Memorandum of Understanding on Employee and Union Involvement (Appendix L of the 1994 Settlement Agreement).

It is agreed that at the plant locations listed below, the Joint Leadership Committee shall include the members described in Section 5-B-1, an additional Local Union representative desig-

nated by the President of the Local Union and one (1) additional representative designated by the Plant Manager:

Indiana Harbor Works
Cleveland DHCC
Aliquippa Tin Mill
Warren Coke Plant
Hennepin Works
LTV Steel Mining
Elyria Tubular Plant
Counce Tubular Plant
Youngstown Tubular Plant
Cleveland Tubular Plant

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
***General Manager***
**Employee Relations and Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

## APPENDIX SS-2

## LETTER AGREEMENT ON EMPLOYEE AND UNION INVOLVEMENT

**August 1, 1999**

***Mr. David R. McCall***
**Co-Chairman-Negotiating Committee**
**United Steelworkers of America**
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

**During the course of negotiations leading**

to the August 1, 1999 Basic Labor Agreement, the Union expressed great concern that existing participative structures already in place at plants meet the standards, objectives, partnership mechanisms, roles and union oversight set forth in Appendix SS - Memorandum of Understanding on Employee and Union Involvement. In the event that the Union believes that any such structure is operating in a manner inconsistent with the above, the Chairman of the Union Negotiating Committee shall bring that matter to the attention of the Chairman of the Company's Negotiating Committee. The Co-Chairmen shall investigate the matter fully, utilizing whatever resources they deem necessary, ascertain the facts, and thereafter address the matter to their mutual satisfaction.

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager
Employee Relations and
Industrial Engineering

CONFIRMED:
/s/ David R. McCall
David R. McCall
Co-Chairman-Negotiating Committee

## APPENDIX TT

## 1994 AGREEMENT PROFIT SHARING PLAN

1. The Company will adopt a new profit sharing plan (the "1994 Agreement Profit Sharing Plan"), as described in this Appendix, effec-

tive January 1, 1994.

2. Profit sharing calculations and payments will be made on an annual basis.
3. Total annual profit sharing payments to USWA-represented Employees ("Participating Employees") will be equal to 10% of annual LTV Steel Company, Inc., and LTV Tubular Products (the "Steel Group") pre-tax, pre-plan income as defined below, proportionately for a period during which the plan is in effect for less than a full year.
4. Payments will be made in cash to Participating Employees no later than April 15 of the year following the year for which profits are calculated.
5. The Steel Group will compute each year the combined or consolidated pre-tax, pre-Plan income, if any, of the Steel Group. Pre-tax, pre-Plan income for purposes of this Plan will be determined by the same methods as the Company uses in the ordinary course of its business. However, the following adjustments will be made:
   **(a)** Each year the dollar amount of net financing expense will be incorporated as part of LTV Steel's pre-tax, pre-plan income. (i.e., Interest Income net of Interest Expense) will be utilized in the pre-tax, pre-plan calculation, including without duplication a pro-rata share (based on the percentage of identified assets to the total for the steel and non-steel business) of LTV Corporation's interest income/ expense and corporate administrative expense.
   **(b)** Any shortfall payments and expenses made pursuant to application of the Employee Investment Program as specified in Appendix DDD of the Labor Agreement,

will be treated as a deduction from the pre-tax, pre-plan income calculation of the 1994 Agreement Profit Sharing Plan.

In addition, the following items defined under generally accepted accounting principles or which are in common use in public financial statement reporting will be excluded from the pre-tax, pre-plan income: The pre-tax income or loss related to charges or credits (whether or not identified as special credits or charges) for unusual or infrequently occurring items (such as plant shutdowns, business dispositions or sale of property, plant equipment or intangible assets) and for extraordinary items (such as repurchased debt) as reported on separate line items in the Company's income statement. In addition,

i) credits or charges for plant shutdowns, business dispositions, sales of property, plant and equipment or intangible assets, which credits and charges are not normal operating charges or credits, and

ii) changes in provisions for bankruptcy related claims

which individually exceed $1 million per occurrence, and have not been reported on separate line items in the Company's income statement, shall all be aggregated and their sum, if it exceeds $10 million, shall be excluded from the calculation of pre-tax, pre-plan income.

iii) Whenever there are changes in accounting principles applied by the Steel Group which are not immaterial, the Steel Group will follow, for purposes of calculating pre-tax, pre-plan income, the same methods of accounting utilized by it in the reports and projections used in the negotiations of the 1990 Labor Agreement.

iv) Pre-tax, pre-plan income will be adjusted

to exclude OPEB expense as determined by FAS 106 but include a deduction for cash OPEB costs including VEBA contributions, except Voluntary Contributions are only deductible when credited against Required Contributions or when used to pay retiree medical and life insurance benefits.

6. Profit sharing payments will be distributed among all USWA-represented Participating Employees on the basis of the hours of each such Participating Employee. The Profit Sharing Amount will be divided by the total hours of all Participating Employees, and each such Participating Employee will receive a payment equal to the resulting amount multiplied by his or her Hours during the year. " Hours" shall include the following, but shall not exceed 40 hours for any week for any Participating Employee. Hours worked (including straight time and overtime hours), vacation and holiday hours at the rate of 8 hours for each holiday or day of vacation, hours on USWA business, and hours, at the rate of 8 hours a day, while receiving Workers' Compensation benefits (based on the number of days absent from work while receiving such benefits).
7. Any payments made to a Participating Employee pursuant to the 1994 Agreement Profit Sharing Plan shall not be included in the Participating Employee's earnings for purposes of determining any other pay, benefit or allowance of the Participating Employee.
8. The Company will furnish annual income statements and profit sharing calculations for the Steel Group to the Chairman of the Union Negotiating Committee and the Union' a Research and Benefits Department. Pre-tax

income for the Steel Group for each plan year will be reported upon by a certified public accountant at the end of each plan year. A copy of the certified public accountant's report shall be furnished to the Chairman of the Union Negotiating Committee and the Union's Research and Benefits Department, no later than the filing of the Corporation's 10K, together with the results of such calculation and appropriate balance sheet, income statement, statements of changes in financial position, and explanatory notes as may be appropriate.

9. A summary description of the calculation of the profit sharing payment for each year, as jointly developed by the Company and the Union, will be distributed to each Participating Employee.

10. Upon receipt of the determination of pre-tax income and the profit sharing payments for the plan year described herein, the Union may request an additional audit of the determinations of pre-tax income and/or the profit sharing payments for the applicable plan year by another auditing firm selected by the Union from among the six major certified public accounting firms in the United States. The expense of such an additional audit shall be reimbursed as soon as possible from the profit sharing pool and deducted from the amounts otherwise available under such pool for distribution to employees. Such an audit must be requested by the Chairman of the Union Negotiating Committee in writing to the Chairman of the Company Negotiating Committee within thirty (30) days of receipt of the profit sharing payment determination

described above.

11. In the event that an audit is performed by the Union's outside auditing firm as described above, the Company will furnish data to the outside auditing firm concerning transfer prices for materials and services provided to the Steel Group by divisions or subsidiaries without Participating Employees of LTV Corporation or from the Steel Group to divisions or subsidiaries of LTV Corporation without Participating Employees as the auditing firm may request so as to enable the auditing firm to render an opinion as to whether materials and/or services have moved at arm's-length, prices typical of normal public trade transactions between entities which have Participating Employees to entities which have no Participating Employees. It is acknowledged and agreed that the commercial reasonableness of such transfer prices may be a subject of arbitration as described below. "Commercial Reasonableness" means the current market price of materials and services as determined from industry sources considering the grade and quality of goods and services and the transportation cost of receiving goods and services.

12. If, as a result of an opinion of the Union's outside auditing firm, the Chairman of the Union Negotiating Committee disagrees with the Steel Group's determination of pre-tax income and/or the profit sharing payments, such disagreement must be submitted in writing to the Chairman of the Company Negotiating Committee not later than fifteen (15) days following the completion of such an audit and shall set forth in detail the basis for the disagreement. A reply by the Chairman of

the Company Negotiating Committee will be provided in writing fifteen (15) days thereafter. In the event disagreement continues following receipt of the Chairman of the Company Negotiating Committee's reply, the matter *may be submitted to binding arbitration upon* written request of the Chairman of the Union Negotiating Committee to the Chairman of the Company Negotiating committee within fifteen (15) days of the Chairman of the Company Negotiating Committee's reply. In the event of such arbitration, the arbitrator shall be selected by the Chairman of the Board of Arbitration. The arbitrator shall have authority only to decide the dispute pursuant to the provision of the Plan, but shall not have authority in any way to alter, add to or subtract from any such provision. The costs of arbitration will be shared equally by the Steel Group and the United Steelworkers of America. The decision of the arbitrator will be final and binding and the foregoing shall be the sole, exclusive and mandatory procedure for resolving any such disputes.

13. *Distribution of profit sharing payments shall* not be made until the completion of any audit elected hereunder and final resolution of any dispute as set forth above.

# APPENDIX TT-1

## LETTER AGREEMENT ON 1994 AGREEMENT PROFIT SHARING PLAN

August 1, 1999

Mr. David R. McCall
Co-Chairman-Negotiating Committee
United Steelworkers of America
777 Dearborn Park Lane, Suite J
Columbus, OH 43085

Dear Mr. McCall:

The parties have agreed that the provision of the PROFIT SHARING PLAN dealing with the "Profit Sharing Deficiency Payment" (Appendix TT, Paragraph 5) will not continue in effect after the determination of any 1999 profit sharing under the 1994 Agreement Profit Sharing Plan. The other provisions of the plan will continue in effect.

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager
Employee Relations and
Industrial Engineering

CONFIRMED:
/s/ David R. McCall
David R. McCall
Co-Chairman-Negotiating Committee

# APPENDIX UU

## JOINT UNION-MANAGEMENT CHILD CARE COMMITTEE

The Company and the Union, recognizing the special needs of working parents agree to establish a joint Union-Management Child Care Committee to assess the needs of working parents in each of the locations to determine the feasibility of child care services for employees.

The Committee will consist of three Union representatives appointed by the International President and three Management representatives appointed by the President of the Company and will be responsible for researching the need for child care and preparing recommendations based on the need.

The Committee shall explore the possibilities of obtaining funds through governmental programs, grants, trusts, and other available resources that could contribute to financing the Committee's work, including compensation for consultants, if needed, and research expenses.

The Company and the Union shall share any unfunded additional costs of the Committee's work, including compensation for consultants, if needed, and research expenses:

The Committee shall:

**1.** Develop a questionnaire or other survey to determine the ages of children of employees, the hours during which child care is presently utilized and the additional hours during which it is needed, cost, location, type and quality of present child care arrangements, and compile the results.

**2.** Research child care availability in the community, sources of additional clients for existing or potential new facilities or programs, sources of funding and the impact of child care

problems on the employer's operations and the employees.

**3.** Report its findings and present alternative recommendations for meeting the child care needs of employees, including a cost analysis of each alternative, to the International President of the Union and the President of the Company within two years (unless mutually agreed to by the parties to extend such deadline) of the effective date of the Basic Labor Agreement.

Recommendations by the Committee shall be seriously considered for implementation. Committee recommendations cannot conflict with the Agreement or applicable laws and regulations.

# APPENDIX UU-1

## LETTER AGREEMENT ON CHILDCARE, ELDER CARE AND DEPENDENT CARE

August 1, 1999

Mr. David R. McCall
Co-Chairman-Negotiating Committee
United Steelworkers of America
777 Dearborn Park Lane, Suite J
Columbus, OH 43085

Dear Mr. McCall:

The Company and the Union recognize the changing needs of working families, particularly in regard to childcare, elder care and dependent care. They also recognize that the specific needs of each employee are highly individualized, and that employees may need assistance in finding effective responses thereto.

Therefore, the Company and Union at each Plant will designate representatives to review and assess the work and family concerns of employees at their facility. Such representatives will assess the extent of the needs there and attempt to develop effective responses to those needs.

In furtherance of their commitment to this joint effort, the Company and the Union will each designate a contact to provide guidance and assistance to the local representatives upon request.

Within one year of the effective date of the 1999 Labor Agreement, the local representatives will:

- Determine the extent of needs at their plant;
- Gather information concerning public

agencies, private concerns and other resources within the appropriate community and make such material available to any interested employee, upon request;

- Consider alternative responses and implement them, where appropriate; and
- Report findings to their respective Union and Company contacts, who will disseminate the information to other plants with similar needs that require effective responses.

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager
Employee Relations and
Industrial Engineering

CONFIRMED:
/s/ David R. McCall
David R. McCall
Co-Chairman-Negotiating Committee

## APPENDIX VV

## AGREEMENT REGARDING EMPLOYEE INVOLVEMENT IN JOINT SAFETY AND HEALTH PROGRAM ACTIVITIES

1. The parties have recognized the value of involving bargaining unit employees in joint activities directed at improving safety and health in the workplace, and, at most facilities, bargaining unit employees have been involved in many such activities at Company expense. In furtherance of this recognition, during the term of this agreement, the Company will annually allocate to each Plant a minimum number of employee hours to be compensated by the Company for time spent

in safety and health related activities. The calculation for such allocated hours will be as follows:

$$\frac{\text{Hours worked by Bargaining Unit Employees In 1993}}{\text{Base 6,500,000 Hrs.}} \times 2000 = \text{Allocated Hours}$$

**2.** Each employee who participates in joint safety and health related activities under this program shall be compensated by the Company for time spent away from work in such activities such that they shall suffer no loss of earnings of the job(s) the employee would have worked or under practices currently prevailing at the individual plants.

It is understood that this agreement will not affect or limit bargaining unit employees' current arrangements in joint safety and health program activities at the individual plants. To the contrary, this agreement is meant to encourage such involvement and serves only to establish minimum hours allocated for such paid activities.

**3.** The Company will as a minimum provide time off with pay for three (3) days annually to certain Union members of the Joint Safety and Health Committees beginning in 1995 and annually thereafter for the life of the Agreement to attend approved safety and health training in accord with the following schedule.

SAFETY AND HEALTH TRAINING SCHEDULE

| | LOCAL | # EMPL. |
|---|---|---|
| Indiana Harbor | 1011 | 3 |
| Cleveland | 185 | 2 |
| | 188 | 2 |
| Aliquippa | 1211 | 2 |
| Hennepin | 7367 | 2 |
| **Cleveland** | **1098** | **2** |
| | **1157** | **2** |
| | **2265** | **2** |
| **Warren Coke** | **1375** | **1** |
| **Chicago Coke** | **1011** | **1** |
| **Cleveland Tubular** | **1179** | **1** |
| **Elyria Tubular** | **3224** | **1** |
| **Youngstown Tubular** | **1331** | **1** |

4. The parties have discussed the hazards associated with in-plant railroads and other fixed rail equipment and have agreed to refer this matter to the Local Joint Safety and Health Committees for review of present in-plant railroad and other fixed rail equipment safety rules and procedures with a view toward identifying and addressing conditions and/or practices which are likely to contribute to an accident. The Joint Safety and Health Committees may obtain information from employees of any department where such equipment is used for the purpose of gaining a better understanding of the hazards involved and the need for new and/or revised training programs.

# APPENDIX VV-1

## LETTER AGREEMENT ON ERGONOMICS

August 1, 1999

Mr. David R. McCall
Co-Chairman-Negotiating Committee
United Steelworkers of America
777 Dearborn Park Lane, Suite J
Columbus, OH 43085

Dear Mr. McCall:

This will confirm our understanding that the Joint Safety and Health Committee at each plant will, among its priorities, discuss safety and health matters related to ergonomics with the intention of identifying jobs and tasks and corrective action where employees may face a risk of repetitive strain disorders and other musculoskeletal injuries and diseases.

As potential ergonomic projects are identified by the Joint Safety and health Committees, they may solicit assistance of departmental safety teams. Those employees associated with the projects will, as mutually agreed by the Joint Safety and Health Committee, receive training to help the participants understand how to implement the respective ergonomics principles within the plant.

To assist in this endeavor, the Company's Safety, Health and Medical Departments and the International Union Safety and Health Representatives, as requested by either party at the plant location, will jointly conduct periodic reviews of the ergonomic projects and their status.

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager
Employee Relations and
Industrial Engineering

CONFIRMED:
/s/ David R. McCall
David R. McCall
Co-Chairman-Negotiating Committee

## APPENDIX VV-2

## LETTER AGREEMENT ON WORKPLACE VIOLENCE

August 1, 1999

Mr. David R. McCall
Co-Chairman-Negotiating Committee
United Steelworkers of America
777 Dearborn Park Lane, Suite J
Columbus, OH 43085

Dear Mr. McCall:

This will confirm our understanding that the Joint Safety and Health Committee at each plant will receive training on how to deal with workplace violence situations and from that specific training, the Joint Safety and Health Committees will develop specific contacts on the subject which will be communicated to all employees.

CONFIRMED:
/s/ David R. McCall
David R. McCall
Co-Chairman-
Negotiating
Committee

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager
Employee Relations and
Industrial Engineering

# APPENDIX WW

## AGREEMENT ON FAMILY AND MEDICAL LEAVE ACT

The Company and the Union affirm their compliance with and implementation of the Family and Medical Leave Act of 1993 (FMLA) and further agree to the following particulars regarding its application. **Nothing in this Appendix shall be construed to provide lesser benefits than required under Federal law.**

1. **GENERAL**
   - **A.** The FMLA provides for up to 12 weeks of unpaid leave each year for eligible Employees to take care of a serious health condition of certain family members or of Employees themselves, and for the birth, adoption or foster placement of a child. The law also requires the continuation of certain benefits under certain conditions while on leave and includes certain notice requirements in order to obtain the leave.
   - **B.** A copy of a summary of the law and Employee rights thereunder is available at the Personnel Services Office for review and will be issued upon request and at the time any FMLA leave is requested. The required posting under the FMLA will be maintained by the Company.
   - **C.** This Appendix shall become effective June 1, 1994. Any covered Employee then on leave of absence which would otherwise be covered under the FMLA will be designated on FMLA leave beginning on the effective date.
2. **ELIGIBILITY AND ENTITLEMENT**
   - **A.** Leave under this Appendix shall be available to any Employee who has six (6)

months or more of continuous service calculated pursuant to the Seniority provisions of the applicable labor agreement. There shall be no hours worked requirement for eligibility.

**B.** Any eligible Employee shall be entitled to up to twelve (12) weeks of unpaid leave in any twelve (12) month period. This period shall be measured on a rolling twelve (12) month period, measured backward from the date any FMLA leave is used. Any time off taken in connection with any of the situations covered by the FMLA shall be counted toward the twelve (12) week period, except as otherwise excluded.

**C.** Where an Employee and spouse both work for the Company, they are entitled to a combined total of twelve (12) weeks of leave between them unless the leave is for their own serious health condition or the serious health condition of a child or their spouse.

**3. INTERMITTENT OR REDUCED LEAVE SCHEDULING**

**A.** An Employee seeking leave in other than continuous weeks in order to care for a sick family member or for an Employee's own serious health condition must certify to the Company why such a schedule is medically necessary. If the requested leave is for the birth, adoption or placement of a child, the leave, in other than continuous weeks, may be taken only with the Company's permission.

Any leave in other than continuous weeks shall be scheduled in a manner least disruptive to the plant's operating needs.

B. Where leave is sought other than in full day increments, the Employee may be assigned by the Company to any available position consistent with the collective bargaining agreement and paid at the regular rate for that position or the rate of the Employee's regular occupation, whichever is higher, for the portion of the shift actually worked. The Employee may not displace anyone who was assigned to the Employee's normal position for the period of absence except at the Company's discretion.

C. Where leave is sought in increments of less than a full work week, if the Company, consistent with the collective bargaining agreement, is able to accommodate the need for time off by adjusting the Employee's work schedule (including, but not limited to, altering the shift assignment or the scheduled work days), no leave need be provided.

D. Where leave is requested in other than continuous weeks and where the Company considers it desirable to do so in order to avoid disruption to the operation, absent mutual agreement between the parties, the Employee may be assigned to an alternative position with equivalent pay and benefits, without regard to the Employee's own seniority, for the period of time during which intermittent leave may be required.

4. <u>NOTICE</u>

A. In the case of unforeseeable leave sought for care of the serious health condition of the Employee or a family member, the Department Head and Labor Relations

Office shall be notified as soon as possible (within forty-eight [48] hours) of learning of the need for leave and explain the need, expected duration and schedule of the leave.

1. In the case of such leave, following the initial notice provided above, a written notice shall be provided as soon as possible, but in no event more than fifteen (15) calendar days from the time the need for the leave arises. This notice shall be accompanied by a certification signed by the attending physician or other health care provider and shall include:
   **(a)** the date on which the condition commenced;
   **(b)** the probable duration of the condition;
   **(c)** appropriate medical information regarding diagnosis, regimen of treatment and need for hospitalization, sufficient to enable the Company to reasonably review the request; and
   **(d)** medical information for Employee's serious health condition that he is unable to perform work or for family member, why it is necessary for the Employee to provide care to the family member and an estimate of the amount of the Employee's time which is necessary for that care.
2. Where the leave is to be taken in other than a single continuous period of time, the notice shall also include:
   **(a)** the dates on which the medical treatment is expected to be given;

(b) the duration of such treatment;
(c) the medical necessity for leave to be granted on an intermittent basis;
(d) the expected duration of the need for an intermittent schedule.

3. Certification forms can be obtained from the Labor Relations Office.

5. **PAY DURING FMLA LEAVE**

A. Employees seeking FMLA leave under this Appendix may be required by the Company to utilize up to one week of unused paid vacation in either single days or a full week.

B. An Employee may request to utilize additional paid vacation during the FMLA leave time. The Company reserves the right to approve such a request where it involves a change in the vacation schedule.

C. Except for the substitution of paid vacation and the utilization of Sickness and Accident, Sick Leave (O&C Employees only), or Workers' Compensation benefits, all time off provided shall be unpaid. Time off without pay granted pursuant to the FMLA shall be considered as time not worked through choice of the Employee and may not be utilized in connection with a claim by the Employee under any provision of this Agreement for any wages, benefit or entitlement, eligibility for which is related to hours worked unless the Employee otherwise meets the eligibility requirements for such wage, benefit or entitlement. This exclusion Includes, but is not limited to such matters as reporting pay, overtime, profit-sharing, rate retention, guaranteed hours, holiday pay, service bonus, earnings protection, or short

week benefit.

6. **TERMINATION OF LEAVE**

A. An anticipated duration of the leave sought shall be established at the time the leave is granted. Upon termination of a leave, the Employee shall be reinstated to the same or an equivalent position as that held at the time the leave commenced, consistent with the seniority provisions of the labor agreement, unless there was an intervening event including but not limited to a reorganization or force reduction. In the latter event, the Employee shall be reinstated to the same or an equivalent position or status which he would have held after the intervening event if the leave had not been taken.

B. An Employee who wishes to return from leave prior to the scheduled return date must give the Department Head and Labor Relations Off Ice twelve (12) days notice of his desire to return, unless the Labor Relations Office agrees to a shorter period in a particular case.

C. An Employee on a leave under this Appendix is not eligible for Supplemental Unemployment Benefits in the event of a layoff, until following the termination of the leave.

7. **CONTINUOUS SERVICE**

Leaves of absence under this program shall not constitute a break in the Employee's length of continuous service and the period of such leave shall be included in his length of continuous service under the labor and benefit agreements.

8. **BENEFIT CONTINUATION**

A. All Employees will continue in benefit coverage during such leave, provided the Employee is otherwise eligible for such coverage and the Employee continues

making any normally-required premium or other payments in a manner acceptable to the Company. In the event the Employee continues making any normally-required premium or other payments in a manner acceptable to the Company. In the event the Employee fails to make such payments, all benefit coverage shall terminate after thirty (30) days.

**B.** In the event an Employee fails to return to work or quits after the employee's FMLA leave period has been concluded, the Company will waive its right to seek to recover health insurance coverage provided by the Company during such leave.

**9. GOOD FAITH EFFORTS**

In the event problems develop in implementing this Appendix, whether as a result of changes in the law or regulations or otherwise, the parties agree to use their best efforts to resolve them in a manner designed to assure minimal disruption to the operation, minimize absenteeism and provide an Employee the time necessary to meet family and personal emergencies and obligations.

## APPENDIX XX

### MEMORANDUM OF UNDERSTANDING REGARDING CONSENT DECREE I

By Order of Court, the Decree was dissolved on November 1, 1989.

Certain portions of the Decree are no longer applicable simply by reason of the passage of time. Other portions have been specifically adopted in the Basic Labor Agreement. In this Memorandum, the Company and the Union have agreed to preserve and continue certain funda-

mental provisions of the Decree which may have not lapsed through the passage of time and which may not be contained in the Basic Labor Agreement, and make such changes as are necessary to reflect the fact that the Government agencies which were parties to the Decree will not be parties to this Memorandum and the undertakings contained herein are no longer in the form of a court order.

**1. DEFINITIONS**

For the purposes of this Understanding, the following definitions shall apply:

**(a)** The terms "Company" and "Management" in both the singular and the plural shall refer to The LTV Steel Company and its management personnel.

**(b)** The term "Union" shall refer to the United Steelworkers of America, AFL-CIO-CLC and each and all of its local unions representing employees at the plants, facilities and operations of the Company to which this Memorandum of Understanding is applicable.

**(c)** The term "Trade and Craft" refers to those occupations which are so classified under the Basic Labor Agreements and listed in the August 1, 1971 Job Description and Classification Manual.

**(d)** The term "Minority" refers to persons of the black race and Spanish -surnamed Americans (as defined for EEO-1 reports).

**(e)** The term "Entry Level Job" refers to the job or jobs in a seniority unit or line of promotion in which permanent vacancies remain after all employees with incumbency status in such unit or line have exercised their promotional and other seniority rights.

**(f)** In referring to employees, the masculine gender is used for convenience only and shall

refer both to males and females.

**2. PURPOSE AND SCOPE**

The Company, the Union, and each of them, and their officers, employees and local union, shall not discriminate in any aspect of employment on the basis of race, color, sex or national origin and are committed to fully implement and participate and cooperate in the implementation of the provisions set forth below. The purpose of this Understanding continues to be the achievement of prompt and full utilization of minorities, females, and longer service employees by increasing the promotional and transfer opportunities of such employee covered by the Basic Labor Agreement.

The plants and facilities to which the specific terms of this Memorandum of Understanding are applicable are limited to those plants and facilities to which the terms of Consent Decree I were previously applicable.

**3. LENGTH OF PLANT CONTINUOUS SERVICE**

(a) Except where a Basic Labor Agreement or other agreements entered into between the Company and the Union provide for the use of Company continuous service or some greater measure of service length than plant continuous service, plant continuous service (hereinafter plant service) shall be used for all purposes in which a measure of continuous service is presently being utilized; provided, however that all promotions, set-ups, demotions, layoffs, recalls and other practices affected by seniority shall be in accordance with plant service provided that, (a) demotions, layoffs, and other reductions in forces shall be made in descending job sequence order starting with the highest affected job and with the employee on such job having the

least length of plant service, and (b) the sequence on a recall shall be made in the reverse order so that the same experienced people shall return to jobs in the same positions relative to one another that existed prior to the reductions. The parties at a plant may agree in writing to preserve an existing procedure varying from the requirements of the proviso contained in the preceding sentence where it is not inconsistent with the purpose of this Understanding.

**(b)** Where an employee transfers from one seniority unit to another, his plant service shall be used for all purposes as provided for by paragraph 3(a) except he shall not be entitled to have any regular vacation schedule which has previously been established in his new seniority unit in accordance with the applicable Basic Labor Agreement, changed because of his entry into that unit, nor shall he be entitled to have any then existing shift or other schedule in such unit changed unless it embraces more than a four week period following his entry into the unit. A transferring employee who was scheduled in his former unit for a regular vacation in accordance with the applicable Basic Labor Agreement, shall be allowed to take such regular vacation as scheduled except as the orderly operation of his new unit preclude it.

**4. POOLS**

**(a)** The present number of pools and the arrangement of pools (i.e., "tails in" the pool or "tails out" of the pool), shall remain unchanged except as the Company and the Union representatives involved agree to make changes.

**(b)** Where a job sequence or line of progression includes jobs in the pool ("tails in"), such pool jobs in that job sequence or line of progression shall be considered as a single composite

job in filling permanent vacancies above the pool.

**5. DEPARTMENTS**

Departments shall be used for promotional and transfer purposes instead of the existing pool areas.

**6. PERMANENT VACANCY AND TRANSFER RIGHTS**

*Permanent transfers shall not be made* through the operation of the pool procedures. An employee who is assigned under a pool arrangement to a unit for purposes of retention shall not be able to effectuate a permanent transfer to that unit by refusing a recall to his home unit. (However, nothing contained herein shall preclude such an employee from effectuating a permanent transfer by bidding for a permanent vacancy in such a unit or any other unit. Moreover, nothing contained herein shall affect *the rights of such employees under a permanent* shutdown situation). In addition, such a retained employee shall have only such promotional rights in the unit to which he is assigned for retention purposes as are provided for by paragraph 6(e) below.

**(a)** Subject to the exception provided hereinafter by *paragraph 9(e) for entry into Trades* and Crafts, there shall be a three step procedure for filling permanent vacancies. A permanent vacancy shall be filled from within the first step of competition (whether it be unit, line of progression, etc.). Each succeeding vacancy shall be filled in the same manner and the resulting vacancy in the entry level job shall thereafter by filled on a departmental basis (the second step of competition) by employees with at least 6 months of plant service **(for employees hired on or after August 1, 1999, *six months or the end of* such employee's probationary period,**

**whichever is later)** on the date the vacancy is posted. Resulting entry level departmental vacancies shall be filled on a plant-wide basis (the third step of competition) by employees with at least 6 months of plant service on the date the vacancy is posted.

**(b)** However, in plants where operating circumstances so warrant (such as size, geography, job relationships, physical proximity, safety, and other appropriate factors), a two-step procedure for filling permanent vacancies shall be established by the parties at such plants. Under such a two-step procedure, a permanent vacancy shall be filled from within the first step of competition (whether it be unit, line of progression, department, etc.). Each succeeding vacancy shall be filled in the same manner and the resulting vacancy in the entry level job shall thereafter be filled on a plant-wide basis by employees with at least 6 months of plant service **(for employees hired on or after August 1, 1999, six months or the end of such employee's probationary period, whichever is later)** on the date the vacancy is posted.

**(c)** An employee who transfers pursuant to this Understanding shall have the right to return to the seniority unit from which he transferred within a 45 calendar day period commencing from the date of his transfer. Furthermore, if Management should return him to his former unit because he cannot meet the requirements of the job to which he has been assigned in his new unit, such return shall be made within such 45 calendar day period. In either event, his return to his former seniority unit within such 45 calendar day period shall be without loss of his seniority standing in such unit.

**(d)** The Basic Labor Agreement between the

Company and the Union provides that Management may require a transferring employee to have the necessary qualifications to progress in the promotional sequence to the next higher job to the extent that Management needs employees for such progression, and that Management can require sufficient numbers of occupants of each job in a promotional sequence be available to assure an adequate number of qualified replacements for the next higher job. These provisions shall apply only to jobs in a promotional sequence leading to Trade or Craft or special purpose maintenance jobs or to highly skilled operating or technical jobs, to the extent applicable.

**(e)** Under the provisions of the Basic Labor *Agreement between the Company and the* Union, an employee assigned under any pool arrangement to a seniority unit for purpose of retention shall have no seniority rights for promotional purposes in that unit, except in competition with an employee in such unit who has been employed less than 31 days prior to the retained employee's assignment in that seniority unit.

**(f)** Posting of permanent vacancies shall comply with the following:

**(1)** Permanent vacancies on entry level jobs in plant-wide competition shall be posted on a plant-wide basis in accordance with administrative rules currently in effect as to location of posting, duration of posting period, method of bidding, period for selection, notice of selection, and method or procedure for contesting a selection. Such rules require that (a) the notice of vacancy posted shall indicate the department, job title, job class, estimated number of employees needed, date of posting, and the time and location where bids can be filed for the vacancy involved, (b) the bids shall be in writing, and (c)

the subsequent notice of the prevailing bidders shall indicate their plant continuous service dates.

**(2)** Permanent vacancies on jobs in department-wide competition shall be brought to the notice of all employees within the department in accordance with administrative rules currently in effect. Where necessary, such notice shall be posted and, in any event, the rules shall insure complete and adequate notice to all affected employees of (a) the vacancies, and subsequently, (b) the employees selected, including their plant continuous service dates.

**(3)** Permanent vacancies may be filled by temporary assignments in accordance with applicable seniority agreements until such time as the prevailing bidder is selected and assigned.

**(g)** Transferred employees will be afforded appropriate training opportunities (including opportunities to fill temporary vacancies pursuant to the applicable provisions of the Basic Labor Agreement) in order to encourage transfer hereunder and normal progression of employees in their seniority units.

Notwithstanding the above, an employee who is assigned under any pool arrangement to a seniority unit because the Company has indefinitely idled a facility in which such employee holds incumbency status and who has been assigned to such seniority unit for two (2) years or more shall have seniority rights for promotional purposes in that unit.

**7. RATE RETENTION**

**(a)** An employee whose plant continuous service date precedes January 1, 1968, shall be entitled to receive a form of rate retention on the occasion of one transfer. The employee may elect the particular transfer for which his right to rate

retention shall apply, provided such election is made at the time of the transfer. If any employee accepts transfer with rate retention under this paragraph 7, his rights in the unit from which he transfers will be cancelled 30 calendar days after such transfer provided, however, that if during such 30 calendar day period such employee voluntarily returns to the unit from which he transferred, or is returned by Management, and if such return is after his first exercise of his right to rate retention under this paragraph 7, he will be given one additional transfer with rate retention rights under the provisions of this paragraph 7.

**(b)** An employee who exercises an opportunity under this paragraph 7 to transfer with rate retention will be provided with a personal transfer rate to be paid starting 30 calendar days after his transfer, retroactive to his date of transfer, provided he does not voluntarily or at the direction of Management return to the unit from which he transferred within such period. Except as provided in paragraph 7(c) below, his personal transfer rate shall be the standard hourly wage rate which is nearest to his average standard hourly wage rate in the 13 consecutive weekly pay periods or 7 consecutive biweekly pay periods (whichever is applicable) immediately prior to his date of transfer. The incentive calculation rate corresponding to the standard hourly wage rate which constitutes his "personal transfer rate" will be applicable when he works on an incentive job in his new seniority unit or department. In no event, however, shall an employee's personal transfer rate exceed the lower of (1) the standard hourly wage rate in effect for Job Class 11 on the date of his transfer; or (2) the standard hourly wage rate of the highest job in the line of progression to which he is transferring. For the hours in each pay peri-

od that are compensated after such transfer (except vacation and SUB payments), an employee shall be paid the higher of: (1) his average hourly earnings using his personal transfer rate as applied to his new job(s); or, (2) his average hourly earnings at the established rate of pay for his new job(s) in that pay period.

**(c)** If a female or minority employee transfers under the provisions of this paragraph 7 from an incentive job to a nonincentive job which is in a line of progression where the majority of jobs are incentive-rated, for so long as that employee is working on a nonincentive job in the new unit, the employee's personal transfer rate shall be the employee's average hourly earnings (exclusive of shift, overtime, Sunday and Holiday premium, but including incentive earnings) as calculated for the reference period set forth in paragraph 7(b) above.

**(d)** An employee's personal transfer rate shall be adjusted only for general wage increases and it shall not be adjusted for any increases in Job Class increments.

**(e)** An employee's personal transfer rate shall be terminated for all purposes on the occurrence of any one of the following:

**(1)** His average hourly earning in his new line of progression over 26 consecutive weekly pay periods or 13 consecutive biweekly pay periods (whichever is applicable) exceed his average earnings as calculated by use of his personal transfer rate.

**(2)** 104 weeks elapse after the date of his first effective transfer with rate retention.

**(3)** He refuses to promote or fails to take an opportunity for a permanent promotion to a higher job in his line of progression or seniority unit unless he has worked less than 30 days

since entry into such line or unit or since his last preceding permanent promotion in such line or unit.

**(4)** He twice fails to qualify for permanent promotion to the same next higher job in his new line of progression provided that two or more such failures to qualify within a 30 working day period shall count as only one failure.

**(5)** He subsequently transfers voluntarily to another line of progression, except where (a) a female or minority employee after having transferred from one department to another department subsequently makes one additional transfer within the new department, or (b) a female or minority employee after having transferred pursuant to this understanding into a line of promotion or seniority unit has his promotional opportunities in that line or unit adversely affected as a result of a restructuring or other change in that line or unit and thereafter subsequently makes one additional transfer to or within any department other than that from which he originally transferred. Female or minority employees will be entitled to make one additional transfer as provided in either (a) or (b) of this subparagraph (5) but not both. Nothing in this subparagraph (5) shall operate to extend or interrupt the time period set forth in paragraph 7(e)(2) above.

**8. SENIORITY FACTORS**

The definitions of Seniority presently contained in the various Basic Labor Agreements, including such factors as relative ability, physical fitness and continuous service, shall be preserved.

**9. AFFIRMATIVE ACTION FOR TRADE AND CRAFT OCCUPATIONS**

The Company at each plant, facility or other operations shall establish goals and timetables

for qualified minority representation and/or qualified female representation in Trade and Craft jobs wherever there is underutilization of minorities and/or females in accordance with 41 C.F.R. Section 60-2.11 and 60-2.12 of Revised Order No. 4 issued by the Department of Labor, Office of Federal Contract Compliance (hereinafter, Revised Order No. 4), as made more specific by the following:

**(a) UTILIZATION ANALYSIS:** A utilization analysis of the craft jobs in each Trade and Craft shall be conducted pursuant to Section 60-2.11 of Revised Order No. 4 at each of the plants and facilities to which the specific terms of this Memorandum of Understanding are applicable. Each factor in Sections 60-2.11 (a)(1) and 60-2.11 (a)(2) for which accurate and relevant data are available shall be considered. However, in establishing goals and timetables for P&M minorities available within the plant, of those factors set out in Section 60-2.11, and referred to in Section 60-2.12, primary emphasis shall be given to the factors in Section 60-2.11(a)(1)(iv) and (vi). Goals for females shall be established on the basis of the applicable provisions of Revised Order No. 4 based upon their percentage representation in the P&M unit within the plant or facility.

**(b) ESTABLISHING GOALS:** In establishing goals, Trade and Craft jobs at each plant shall be grouped (e.g., all electrical crafts) according to similarities of skills, function, and such other criteria as have been established and within each such grouping of Trade and Craft jobs separate goals shall be established for each minority group and for females.

**(c) ESTABLISHING TIMETABLES:** Timetables shall be established with the objective of

achieving the goals for minorities and females in each Trade and Craft grouping as rapidly as practicable.

**(d) IMPLEMENTING RATIO:** An implementing ratio of 50% shall be applied in the aggregate for all groups for whom timetables are established, for each Trade and Craft grouping at each plant, to the extent that qualified applicants from such groups are available within the plant, until the goals therefore have been achieved. In applying the implementing ratio, all permanent vacancies within a craft job and its apprenticeship, as well as within all occupations which in fact lead to that craft job, shall be considered as a single consolidated group with regard to the initial entry of employees into such jobs and occupations.

**(e) SENIORITY FACTORS:** As an exception to the procedures for filling vacancies provided for by paragraph 6(a), all permanent vacancies in apprenticeships and in entry level jobs in lines of promotion containing occupations which in fact lead to craft jobs, shall be filled on a plant-wide basis from among qualified bidding employees. Similarly, permanent vacancies in craft jobs which are not filled by the promotion or assignment of apprenticeship graduates, or by the promotion of an employee from a non-craft job in a line of promotion leading to a craft job, or by the transfer of a craft employee from one unit to another within the same Trade or Craft, shall be filled on a plant-wide basis from among qualified bidding employees. In order to meet the implementing ratio, seniority factors shall be applied separately to each group for whom timetables are established and to all other employees. At any plant or facility where there are no qualified applicants or bidders for a vacancy, the Company may obtain new hires to fill such vacancy, provid-

ed all good faith efforts shall be made in doing so to comply with the established implementing ratio.

**(f) REVIEW:** The goals, timetables and implementing ratio established pursuant to this paragraph 9 shall be reviewed periodically, but at least annually, by the Company for such adjustments as may be appropriate or necessary.

**(g) QUALIFICATIONS OF APPLICANTS:** The Company may require applicants for craft jobs, apprentice positions, or other occupations which in fact lead to craft jobs, to be qualified to perform or to learn to perform the craft job in question. In their efforts to meet the goals, timetables, and implementing ratio established pursuant to this paragraph 9, minority and female applicants shall not be required by the Company to possess qualifications which exceed the minimum criteria applied to white male applicants who, since a job was established as a craft in the plant, have been admitted and are successfully performing the requirements of that job as it exists in such plant.

**(h) COMPLIANCE:** The Company's compliance status shall not be judged solely by whether or not it reached its goals and met its timetables and implementing ratio. Rather, in accordance with Revised Order No. 4, the Company's compliance posture at each of its plants and facilities shall be determined by reviewing the extent of the Company's good-faith efforts made toward compliance and thus toward the realization of the goals within the timetables established.

**(i) PRE-APPRENTICESHIP TRAINING:** The Company and Union shall make application to the United States Department of Labor for such funds as might be available for the establishment of pre-apprenticeship training programs.

**10. EMPLOYEE SELECTION CRITERIA**

**(a)** The Company shall not use employee selection procedures for initial employment, assignments to jobs and promotions, including all Trade and Craft selections, unless such procedures have been validated in accordance with the Equal Employment Opportunity Commissions's "*Guidelines on Employee Selection* Procedures" (29 C.F.R. Section 1607) and the regulations of the Secretary of Labor on "Employee Training and Other Selection Procedures" (41 C.F.R. Section 60-3) or unless the Company, with specific selection procedures, can show that such procedures have no disparate effect on minorities or females. Where the standards set forth in the "Memorandum of Understanding on Testing" presently contained in the various Basic Labor Agreements are applicable employee selection procedures shall also meet such standards.

**(b)** The Company shall maintain for a reasonable length of time, but at least three years, data pertaining to any test or other selection procedure, including the identity, sex, race or national origin and score or other measurement obtained *for each person subject to the test or procedure.*

**11. DISPUTE/COMPLAINT PROCEDURE**

**(a)** The parties shall establish a Joint Review Committee (the "JRC") consisting of one (1) representative designated by the Union, one (1) representative designated by the Company, and one (1) neutral representative selected by mutual agreement of the parties who shall be a person familiar with the Steel Industry and the operation of the Decree. The fees and expenses of the neutral member and the administrative costs of the *JRC shall be shared equally by the Union and the* Company.

**(b)** Local agreements executed at the plant or facility level which deal with establishment of or changes in seniority units, seniority practices, lines of progression, or modifications of existing pool agreements shall be referred to the JRC for review and approval to ensure compliance with the provisions of this Memorandum of Understanding.

**(c)** A dispute or complaint concerning the provisions of this Memorandum of Understanding shall be referred to the JRC for review and resolution.

**(d)** Resolution reached by the JRC shall be in writing and shall be final and binding upon the parties and all employees concerned.

**(e)** If the parties on the JRC are unable to reach unanimous agreement on any matter referred to it, such matter may be referred to an Arbitrator for final resolution. The parties have selected Rolf Valtin to act in this capacity.

**12. EFFECT ON COLLECTIVE BARGAINING**

The terms of this Understanding shall be fully binding on the Company and Union as defined in paragraph 1, and the arrangements provided herein are hereby made a part of the Basic Labor Agreement as though expressly incorporated therein, the provisions of any such Basic Labor Agreement, local seniority agreement, practice or arrangement to the contrary notwithstanding. Provided, however, nothing in this Understanding shall operate to prevent the Company and the Union from pursuing normal collective bargaining related to areas covered by this Understanding.

**13. RECORDS AND REPORTS**

The Company shall maintain appropriate personnel, payroll, and bidding records necessary to monitor compliance with and progress made under the provisions of this Understanding. Such

records shall include for every vacancy posted on a department or plant wide basis the job title, job class, department, seniority unit and the name, badge number, race, sex, and plant service date of every bidder, with an indication of the prevailing bidder and the amount, if any, of his personal transfer rate. Where a prevailing bidder is other than a bidder with the longest plant service, the reason(s) therefore shall be indicated. Records shall also be kept of assignments of new and incumbent employees to all jobs subject to goals, timetables and implementing ratios established pursuant to paragraph 9, with an indication of the available applicants or bidders from which each was selected.

## APPENDIX XX-1

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

This will confirm our understandings reached during the negotiation of the 1990 Labor Agreement with respect to the MEMORANDUM OF UNDERSTANDING REGARDING CONSENT DECREE I.

**1)** Notwithstanding the dissolution of Consent Decree I on November 1, 1989, pertinent provisions of the Decree, as set forth and modified in the Memorandum of Understanding Regarding Consent Decree I, any amendment thereto applicable to the plants of the Company and any determination of the Audit and Review

Committee applicable to the plants of the Company shall nevertheless remain a part of this Agreement as though expressly incorporated herein.

**2)** There shall be no retroactive application of the provisions of the Memorandum of Understanding Regarding Consent Decree I or the amendments and determinations referred to in paragraph 1, above, to the period from November 1, 1989 to the effective date of this Labor Agreement.

**3)** The parties consider the Memorandum of Understanding Regarding Consent Decree I reached in the 1990 negotiations to be a continuation of the Steel Industry Consent Decree. It is not intended that this Understanding will create any new rights for employees who previously exercised their rights under the Consent Decree I to transfer with Rate Retention.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

# APPENDIX YY

## LETTER AGREEMENT ON NEW EMPLOYEE ORIENTATION

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**
**Dear Mr. McCall:**

This will serve to memorialize our agreement concerning the orientation of new employees hired by the company within the bargaining units covered by the Collective Bargaining Agreement.

The United Steelworkers of America and LTV Steel Company will endeavor to develop a joint new Employee Orientation Program which shall entail adequate time to include the following:

–The development of any necessary audio-visual materials.

–An introduction of Plant Management officials, International Union officials, and Local Union representatives as may be appropriate.

–Distribution and discussion of the USWA/ LTV Basic Labor Agreement including any relevant local agreements, the probationary period, and the grievance procedure.

–Discussion of Safety and Health programs and Safe Working procedures.

–Presentation and discussion on labor/ management participation, problem solving, communications, and the role of Labor Management, and the Work Force in quality and customer satisfaction.

–Discussion of the history and achievements of the United Steelworkers of America and the particular Local Union.

–Discussion of the structure of the United Steelworkers of America and the particular Local Union, and the services that are provided by the various offices and committees.

–Presentation on the history of the Company and plant.

–Review of the markets in which LTV Steel Company participates; the products produced and the customers serviced.

–Discussion of the structure of LTV Steel Company, the plant organization, and the functions and services that are provided by the various departments.

An opportunity for Questions and Answers shall be provided to participants in all of these sessions. It is further agreed that the United Steelworkers of America or LTV Steel Company may separately supplement the orientation program to address specific issues of concern to the Union or the Company.

**In addition, and separate and apart from the above, within ten (10) days of the completion of their probationary period, the Company shall provide each employee with four (4) hours of paid time off (at their regular rate of pay) to attend an orientation session conducted by the Union at a location designated by the Union.**

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
***Employee Relations and***
**Industrial Engineering**

CONFIRMED:
/s/ **David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

# APPENDIX ZZ

## JOINT CUSTOMER SATISFACTION INITIATIVE

For our employees to enjoy the standard of living and our retirees to have the secure retirements provided by these agreements flowing from the **1999** negotiations, it is clear that the Company must prosper. The Company's prosperity will depend upon its ability to continuously improve the quality of its products and the services it provides to satisfy customers' requirements 100% of the time.

During these negotiations, the parties have reviewed the economics of the Company, its position in a highly competitive business environment, and recognize that if prosperity is to underpin the Company's future-the customer must be the focus of everything we do in the business.

Significant work and progress has already been accomplished in the drive to achieve unparalleled quality and customer satisfaction. It is now essential to the success of the business that we involve the entire workforce in this critical effort to continuously improve quality and customer service. We must begin new the campaign for a better tomorrow for LTV Steel and LTV Steel customers.

To accomplish this objective, a Joint Customer Satisfaction Initiative will be formed by the Plant Manager and Union President(s) at each facility covered by these agreements. They are encouraged to build upon and take advantage of the participative and problem solving structures and activities already in place that have so effectively demonstrated the Company and Union's resolve to deal with difficult issues. Alternative approaches may be employed at the

option of the Plant Manager and Union President(s).

The Customer Satisfaction Initiatives will be devoted to continuously improving the quality of our products and customer service by developing, through an ongoing exchange between management, the workforce, technical service personnel, commercial representatives and the customer, the key elements of customer satisfaction such as unparalleled quality, delivery performance, and service.

Special emphasis of the Initiatives will be to establish partnerships with our customers in pursuit of mutual prosperity; therefore, one of the objectives of the Initiatives will be to develop programs fostering interchange between customer plants and the Company's steel producing plants. The purpose of such interchange will be to enhance working relationships with each plant's customers toward the goals of continuously improving product quality, on-time delivery, and total customer service. The customer interchange will include plant visits by key operating and maintenance personnel who will receive appropriate preparation and orientation. Additionally, an objective of the customer interchange program will be to form new hands-on, day-to-day working relationships with customers, including, where appropriate, joint problem-solving teams of employees from LTV and the customer charged with attacking quality and service issues and the exploration of new applications for LTV Steel products.

The initiatives will also explore opportunities to use LTV Steel employees in promotional and advertising programs and campaigns designed to demonstrate the commitment of all LTV Steel employees to continuously improve product qual-

ity and customer satisfaction in partnership with our customers.

The Co-Chairmen of the Negotiating Committee, at an appropriate time, will convene a meeting or meetings involving this Joint Initiative and review programs established and results achieved.

## APPENDIX AAA

## MEMORANDUM OF UNDERSTANDING RIGHT TO BID

**(a)** The Company will advise the Union whenever the Company enters into a letter of intent or other written agreement (a "Letter of Intent") for the sale of all or any of its interest in all or a substantial portion of any of Aliquippa Works, Cleveland Works, Indiana Harbor Works, Warren Coke Plant, Chicago Coke Plant, Hennepin Works, LTV Steel Mining, Youngstown Tubular Plant, Cleveland Tubular Plant, Elyria Tubular Plant and Counce Tubular Plant, at which Union-represented employees are employed (such Works and Plants and Mine are referred to, individually bind collectively, as a "Facility", and such interest in such Facility or portion thereof subject to the Letter of Intent is referred to as the "Offered Facility"). At the same time, the Company shall inform the Union of the identity of the potential purchaser, the interest in the Facility or portion thereof involved in the transaction and provide copies of any press release or other public disclosure that is made concerning the potential transaction (the "Notice of a Letter of Intent"). Provided the Union and the Company shall have entered into a Confidentiality Agreement, as contemplated in Section (j) of this Memorandum, the Company will, at the same time, provide the

Union with a copy of the Letter of Intent and all non-public information given to the potential purchaser and will cooperate with the Union so as to provide expeditiously other information necessary to enable the Union to make an offer to purchase the Offered Facility. During an initial period of twenty (20) days from the delivery of the Notice of a Letter of Intent (hereinafter the "Initial Period"), the Company agrees that it will not consummate the sale of the Offered Facility so that during the Initial Period the Union may evaluate whether the Union wishes to make an offer for the purchase of the Offered Facility. If requested by the Union, the Company will promptly make available to the Union all non-confidential information it has concerning the potential purchaser and will attempt to arrange a meeting between the Union and the potential purchaser. If the Union desires to pursue the possibility of purchasing the Offered Facility, the Union shall, within the Initial Period, give the Company written notice of its intention to pursue the possibility of purchasing the Offered Facility, together with an initial deposit of Twenty Thousand Dollars ($20,000) (the "Initial Deposit"). If the Union does not give the Company such notice and the Initial Deposit within the Initial Period, the Union shall have no further rights under this Memorandum with respect to the proposed sale and the Company shall be free to sell the Offered Facility at any time or from time to time the purchaser identified to the Union, or an affiliate of such purchaser. As used in this Memorandum, a "substantial portion" of a Facility shall mean a portion of such Facility in which at least twenty-five percent (25%) of the Union represented employees at such Facility normally work or worked.

**(b)** Upon receipt by the Company of the notice

contemplated by section (a) above and the Initial Deposit, the Company agrees that for a period not exceeding ninety (90) days after delivery of the Notice of a Letter of Intent (the "Subsequent Period") the Company will not consummate a sale of the Offered Facility; provided, that the Company shall be free to consummate such a sale after the date which is fifty-five (55) days after delivery of the Notice of a Letter of Intent unless the Union shall have, prior to such date, delivered to the Company an additional deposit of Twenty Thousand Dollars ($20,000) (the "Additional Deposit"). During the Subsequent Period, the Union may make, but is not obligated to make, an offer to the Company to purchase the Offered Facility. In the event the Union submits a bona fide, good faith and timely offer, the Company agrees to consider such offer in good faith; provided, however, that the Company shall have no obligation to sell the Offered Facility to the Union, the potential purchaser, or any other party, and reserves the absolute right and authority to evaluate, accept, negotiate, renegotiate or reject for whatever reason any offer the Union (or any acquisition entity the Union may cause to be formed) may make for the Offered Facility, provided that in so doing the Company acts in good faith. Once the Company has complied with the requirements of sections (a) and (b) of this Memorandum with respect to the proposed sale, the Company shall be free to sell the Offered Facility at any time or from time to time to the purchaser identified to the Union, or an affiliate of such purchaser. Until such time as the Company shall be free hereunder to sell the Offered Facility to the purchasers, or an affiliate thereof, it shall remain contractually free to accept any bona fide, good faith offer which the Union may timely

make.

**(c)** The Company agrees to permit application of the Initial Deposit and, if made, the Additional Deposit, to the payment of any reasonable out-of-pocket expenses which the Union may incur to third parties (including the fees of the third parties) in connection with the consideration by the Union of the possibility of purchasing the Offered Facility or the preparation of an offer for the same (collectively, "Qualified Union Expenses"). If the Company sells the Offered Facility to the Union, the Initial Deposit and, if made, the Additional Deposit, to the extent not applied to the payment of Qualified Union Expenses, shall be applied (without interest) to the purchase price. If the Company does not sell the Offered Facility to the Union and the Union has submitted a bona fide, good faith and timely offer to purchase the Offered Facility that would have, if the Company had accepted it, provided to the Company at least the total consideration actually received by the Company from the sale to the potential purchaser, then the Initial Deposit and, if made, the Additional Deposit, to the extent not applied to payment of Qualified Union Expenses, shall be refunded to the Union (without interest). If the Union does not submit such an offer, or if the offer submitted does not satisfy the criteria of the preceding sentence, the Company shall retain the Initial Deposit and, if made, the Additional Deposit, to the extent not applied to payment of Qualified Union Expenses. Except for the forfeiture of such Deposits, the Union shall not have any other obligation to compensate the Company under this Memorandum.

**(d)** The rights of the Union under this Memorandum shall not be transferable except that its rights may be assigned to and exercised

by an acquisition entity established by or for the benefit of appropriate Union represented employees, provided such employees own, through an employee stock ownership (or similar) plan, not less than 30% of the voting equity interest in the acquisition entity. In the event the Union's rights hereunder are exercised by such an acquisition entity, at the time the Union submits its offer it shall advise the Company of the identity of each equity participant or owner in such entity and such participant's or owner's proposed equity interest, and in the event, at any time prior to the acceptance or rejection by the Company of the Union's offer, the identity or proposed interest of any such participant or owner shall change, the Union shall give the Company immediate written notice thereof.

**(e)** This Memorandum shall not apply to the sale, directly or indirectly, of all or substantially all of the steel business of the Company, to the sale, directly or indirectly, of any undivided interest in all or substantially all of the steel business of the Company or to the sale of all or any of the stock or other equity interest in any corporation, partnership, joint venture or other form of business enterprise owning all or substantially all of the steel business of the Company or any undivided interest therein. For the purposes of this Memorandum, all or substantially all of the steel business of the Company shall mean one or more Facilities which collectively employ at least seventy percent (70%) of the total number of all Union-represented employees then employed by the Company and accruing pension continuous service as of the date the Company enters into a Letter of Intent to sell the Facility.

**(f)** This Memorandum shall not apply to the sale of any Facility which has been permanently

shut down for more than eight months. For purposes of this Memorandum, permanently shut down shall have the meaning given to such term in the Basic Labor Agreement included within the Successor Agreements.

**(g)** This Memorandum shall not apply to the transfer of any Facility to a corporation which is directly or indirectly wholly owned by the Company.

**(h)** This Memorandum shall apply regardless of the structure of a sale as an asset sale, stock sale, partnership, joint venture or other form of business enterprise, or any combination of the foregoing.

**(i)** The obligations of this Memorandum are in addition to and not in lieu of the Successorship Agreement.

**(j)** No later than 90 days following the effective date of this agreement, the Union and the Company will negotiate an agreement concerning confidential treatment and use of any confidential or proprietary information which may be provided to the Union by the Company hereunder. Said agreement shall be executed by the Union and the Company as soon as agreed upon and shall be referred to herein as the "Confidentiality Agreement". In the event the parties are unable to reach agreement on, and execute, such a confidentiality agreement, the Company shall not be obligated hereunder to deliver to the Union any confidential or proprietary information.

**(k)** In the event (i) the Company complies with the requirements of sections (a) and (b) of this Memorandum on one or more times with respect to the purchase of any interest in any Offered Facility by the same purchaser, or an affiliate of such purchaser, (ii) the Union fails to submit a

bona fide, good faith and timely offer to purchase the Offered Facility on one or more of said occasions; and (iii) the purchaser, or an affiliate of said purchaser, acquires an interest of thirty percent (30%) or greater in the Offered Facility, in one or more transactions with respect to which the Union fails to submit such an offer, the Union shall have no further right hereunder with respect to such purchaser, or an affiliate of such purchaser, with respect to said Offered Facility, and the Company shall be free to sell the Facility of which the Offered Facility is a part, an undivided interest in such Facility, a portion of such Facility or an undivided interest in a portion of such Facility at any time or from time to the purchaser, or an affiliate of such purchaser, in a single transaction or in a series of related or unrelated transactions.

**(l)** Time is of the essence of this Memorandum.

**(m)** Notwithstanding any other provision in the Basic Labor Agreement, the provisions of this Memorandum may be enforced in a court of competent jurisdiction without resort to the grievance and arbitration procedure of the Basic Labor Agreement.

**(n)** Except as expressly allowed by this Memorandum, this letter agreement may not be transferred or assigned by the Union. This letter agreement shall become an appendix to the Successor Agreements. This letter agreement shall be governed by the federal labor laws of the United States and, to the extent no federal labor law is applicable, by the laws of the State of Ohio.

# APPENDIX BBB

## AGREEMENT ON CORPORATE GOVERNANCE AND OTHER ISSUES

1. Contracting Party

The parties to this labor agreement shall be the International Union and The LTV Corporation, LTV Steel Company, Inc., LTV Steel Tubular Products Company, LTV Steel Mining Company, Lorain Pellet Terminal Company and any future "subsidiary" which has employees represented by the Union at facilities covered by this agreement ("Company"). A "subsidiary" shall mean a corporation, partnership, joint venture or other form of business enterprise in which LTV owns, directly or indirectly, equity interests entitling it to 50 percent or more of the ordinary voting rights.

2. Upstreaming

The Company will not (a) declare or pay, directly or indirectly, any dividend or make any other distribution of any sort in respect of any of its capital stock (other than dividends or distributions payable solely in shares of its capital stock), or (b) directly or indirectly purchase, redeem or otherwise acquire or retire for value any shares of its capital stock or any option, warrant or other right to acquire shares of such stock or set aside any amount for any such purpose, or (c) permit any member of the LTV Consolidated Group to declare or pay, directly or indirectly, to any Person not a member of the LTV Controlled Group any dividend or make any other distribution of any sort to any Person not a member of the LTV Controlled Group in respect of any of the capital stock of such member (other than dividends or distributions payable solely in shares of its capital stock), or (d) permit any member of the LTV Consolidated Group to purchase, redeem or oth-

erwise acquire or retire for value from any Person not a member of the LTV Controlled Group any shares of its capital stock or any option, warrant or other right to acquire shares of such stock or set aside any amount for any such purpose, if there is any breach or violation of any obligation under this agreement to make periodic payments to the defined contribution pension plan or the restored pension plans or to provide the benefits for employees and retirees as set forth in the insurance plans and for employees as set forth in the SUB plan. Individual claims for benefits do not constitute a breach for the purposes of this provision. Notwithstanding any other provision in this labor agreement, this provision may only be enforced in a court of competent jurisdiction without resort to the grievance and arbitration procedure of the labor agreement.

For purposes of this paragraph:

"LTV Consolidated Group" shall mean, at any time of determination, LTV and all Persons whose financial statements are consolidated with LTV under then applicable GAAP and shall in any event include each and every member of the LTV Controlled Group.

"LTV Controlled Group" shall mean, at any time of determination, LTV and all Persons under common control with LTV within the meaning of section 4001 (b)(1) of ERISA and sections 414(b)-(c) of the IRC,

"Person" shall mean any natural person, corporation, business trust, joint stock company, trust, joint venture, association, company, partnership or other entity.

3. Transactions with Affiliates

The Company will not sell, transfer or lease any asset or buy or acquire from, or enter into any material contract with any existing or future

non-steel affiliate of the Company or future steel affiliate of the Company that is not a contracting party to the Basic Labor Agreement unless the transaction is under fair and reasonable terms no less favorable to the Company than an arms length transaction between non-affiliated entities. Notwithstanding any other provision in this labor agreement, this provision may only be enforced in a court of competent jurisdiction without resort to the grievance and arbitration procedure of the labor agreement. For the purposes of this paragraph, any existing joint venture engaged in the steel business is a steel affiliate.

## APPENDIX CCC

### LETTER AGREEMENT ON SUMMER STUDENT EMPLOYMENT

**August 1, 1999**

**Mr. David R. McCall**
Co-Chairman-Negotiating Committee
United Steelworkers of America
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**

**Dear Mr. McCall:**

This will confirm that during the negotiations of the successor to the 1994 Labor Agreements we have agreed to establish an experimental understanding concerning summer students' employment.

During the term of the Labor Agreement, the probationary provisions of the Labor Agreements shall be modified as follows for students hired for summer employment on or after May 1 provided those students terminate their employment on or before September 15 of the same year.

1. The probationary period of 520 hours of

actual work as provided in the Labor Agreements shall be changed to 1200 hours of actual work.

**2.** The provisions for probationary employees rehired at the same works, district or plant within one year of the employee's termination to apply their hours of actual work during their first employment in determining when these employees have completed their probationary period during their next period of employment is waived if the next period of employment is for summer employment covered by this experimental understanding.

**3.** For purposes of this understanding, a student is defined as an individual enrolled or registered to attend an educational institution including a high school, a trade/vocational/technical school, a college or a university, a junior college, or a community college.

Students hired prior to May 1 or continued in employment after September 15 will not be covered by this experimental understanding but will be covered by the probationary provisions of the Labor Agreement.

Very truly yours,
**/s/ N. P. Vernon, Jr.**
**N. P. Vernon, Jr.**
**General Manager**
**Employee Relations and**
**Industrial Engineering**

CONFIRMED:
**/s/ David R. McCall**
**David R. McCall**
Co-Chairman-Negotiating Committee

# APPENDIX DDD

## EMPLOYEE INVESTMENT PROGRAM

### 1. Profit Sharing Pool and Stock Ownership Plan

**a.** As part of the 1986, 1987 and 1990 Agreements, the Company adopted and maintained a Plan providing for (1) an annual profit sharing pool based upon net income of LTV Steel Company, Inc., LTV Steel Tubular Products and LTV Steel Mining Company (the "Steel Group") during the preceding fiscal year (the "Profit Sharing Pool"), (2) a stock ownership plan pursuant to which contributions were made in accordance with the Agreements and (3) an excess benefit plan pursuant to which contributions that could not be made to employees accounts under the stock ownership plan would be held. Under the Plan, each USW-represented worker earned a total contribution from the Steel Group each year based on the amount of his Investment (as defined in the applicable Agreement) in such year.

**b.** The Company shall continue the Plan, as provided in paragraphs 2 and 3 below. LTV Steel shall maintain an individual account of an Employee's Investments and report them to him or her in accordance with Exhibit A attached.

2. Cash Profit Sharing Plan

**a.** Annual Cash Contributions to Pool. The Steel Group will compute each year the combined or consolidated pre-tax, pre-Plan income, if any, of the Steel Group. Pre-tax, pre-Plan income for purposes of this Plan will be determined by the same methods as the Company uses in the ordinary course of its business. However, the following items defined under generally accepted accounting principles or which are in common

use in public financial statement reporting will be excluded from the pre-tax, pre-Plan income: The pre-tax income or loss related to charges or credits (whether or not identified as special credits or charges) for unusual or infrequently occurring items (such as plant shutdowns, business dispositions or sale of property, plant and equipment or intangible assets) and for extraordinary items (such as repurchased debt) as reported on separate line items in the Company's income statement. In addition,

(1) credits or charges for plant shutdowns, business dispositions, sales of property, plant and equipment or intangible assets, which credits and charges are not normal operating charges or credits, and

(2) changes in provisions for bankruptcy related claims which individually exceed $1 million per occurrence, and have not been reported on separate line items in the Company's income statement shall all be aggregated and their sum, if it exceeds $10 million, shall be excluded from the calculation of pre-tax, pre-Plan income. Whenever there are changes in accounting principles applied by the Steel Group which are not immaterial, the Steel Group will follow, for purposes of calculating pre-tax, pre-Plan income, the same methods of accounting utilized by it in the reports and projections used in the negotiations of the 1986-1989 Labor Agreement. The Steel Group will make available for the Profit Sharing Pool by April 15 of the following year an amount equal to 10% of the first $100,000,000 of such income for such year (or a proportion thereof for a period the Plan is in effect for less than a full year) and 20% of any such income in excess of $100,000,000, but not less than $5,000,000; provided however, the amount of the Profit

Sharing Pool for any year will not exceed the sum of any accrued Shortfalls plus any expenses incurred by the USWA as specified in paragraph 6 below. In addition, for Shortfall obligations payable in 1993, the Company shall make available $5,000,000 on or shortly after June 28, 1993.

**b.** Cash Distributions from the Profit Sharing Pool.

Cash Distributions from the Profit Sharing Pool shall only be made as set forth in this paragraph 2b.

**(1)** *Shortfall Payments – Employees* who have sustained a "Shortfall," as provided in paragraphs 3g and h below, during years prior to the year in which the Company makes a contribution to the Profit Sharing Pool, shall be paid out of each year's Profit Sharing Pool in the amount of such Shortfalls, to the extent not paid for out of prior years' Profit Sharing Pool contributions, in the chronological order in which such Shortfalls occurred.

**(2)** Expenses -Any expenses incurred by the USWA as specified in paragraph 6 shall be paid from the Profit Sharing Pool.

**3. Stock Ownership Plan**

**a.** Maintenance of Stock Ownership Plan. The Company shall maintain the Restated LTV Steel Group Employee Stock Ownership Plan ("Stock Ownership Plan") and related Trust and Excess Benefit Plan, which the parties have amended to reflect the provisions of this paragraph 3.

**b.** Conversion of Preferred Stock and Calculation of Shortfall Balance Requirement.

**(1)** As of June 28, 1993, all shares of Exchangeable Preferred Stock of LTV Steel Company, Inc. ("Old Preferred Stock") credited to

each employee's account will be converted into shares of Common Stock of The LTV Corporation ("New Common Stock") at the rate of one share of New Common Stock for every 521.45 shares of Old Preferred Stock. Any shares of Excess Old Preferred Stock credited to an employee's account in the Excess Benefit Plan shall be converted to shares of Excess New Common Stock on the same basis.

(2) The Shortfall Balance Requirement ("SBR") for each employee with an account balance in the Stock Ownership Plan or in the Excess Benefit Plan as of June 28, 1993 shall be equal to:

> Shares of Old Preferred Stock and Shares of Excess Old Preferred Stock x $16 ("Investment Portion") increased, to the extent not already reflected in assets in the account, by 5% for each full year from the date the shares were contributed to June 28, 1993.

The SBR will be increased every April 15th at an annual rate of 5% of the Investment Portion of the SBR until an Employee receives a distribution pursuant to paragraph 3g below.

**c. Contribution and Allocation of New Common Stock.**

The Company will contribute to the Trust a number of shares of New Common Stock equal to 7.5269% of the New Common Stock issued or committed in connection with or anticipated by the Company's Plan of Reorganization less the shares of New Common Stock received under paragraph 3b, all as detailed in the Stock Ownership Plan.

The shares of New Common Stock shall be allocated among the accounts of Active Employees as described in Exhibit B. Any shares

of New Common Stock which cannot be allocated to an individual's account will be credited to an account in the Excess Benefit Plan as described in Exhibit C until such time as such shares may be and are contributed to the employee's account in the Stock Ownership Plan.

The number of shares of New Common Stock allocated to accounts in the Stock Ownership Plan or the Excess Benefit Plan will be adjusted to reflect direct changes in the New Common Stock including (i) any subdivision (including stock splits and stock dividends) of the outstanding shares of New Common Stock, (ii) any combination of the outstanding shares of New Common Stock into a smaller number of shares, (iii) any issuance of any shares of The LTV Corporation capital stock as a reclassification of the outstanding New Common Stock and (iv) any adjustment in the outstanding New Common Stock as a result of any consolidation or merger to which The LTV Corporation is a party or any sale or conveyance to another corporation of the property of The LTV Corporation as an entirety or substantially as an entirety.

**d. Dividends.** Any dividends, payable in cash or New Common Stock, shall be paid to the Trust and may, at the employee's option, be distributed to the employee or retained in the Trust for later distribution.

**e. Voting Rights.** The New Common Stock held in trust under the Stock Ownership Plan will be fully voting, and the voting rights will be passed through to the particular employee.

**f. Fractional Shares.** Shares would be contributed on an aggregate basis into the Trust, so that there would be no fractional shares issued; but the individual accounts would be on a fractional basis as a bookkeeping matter.

**g. Distribution Upon Retirement, etc.; Shortfall.** Upon retirement, death, disability, or termination of employment, the employee would be able either (1) to receive the New Common Stock plus a contingent right to receive the Shortfall payments described in paragraph 3h, or (2) direct the Trustee to sell the New Common Stock and receive the proceeds, together with the contingent right, immediately or on a deferred basis, as permitted by ERISA. For this purpose, termination of employment shall be deemed to take place either on the date of a voluntary quitting by the employee or, in the event of layoff, the sooner of the expiration of the two years thereafter without return to active status or notification by the employee of other employment.

**h. Calculation and Payment of Shortfall.** In the event that on the date of distribution following retirement, death, disability or termination of employment there is a Shortfall, as defined below, such Shortfall shall be paid out of the Profit Sharing Pool, as provided in paragraph 2 above, or in the event the Profit Sharing Plan is not then in effect, from moneys which LTV Steel would have paid into the Profit Sharing Pool if such Plan had continued in effect.

Subject to adjustment as provided in paragraph 3i below, the Shortfall with respect to an employee shall be equal to the SBR as of the date of distribution of the employee's accounts in the Stock Ownership Plan or the Excess Benefit Plan less the sum of:

(1) the Market Value of the New Common Stock in the employee's account in the Stock Ownership Plan or credited to the employee's account in the Excess Benefit Plan;

(2) any cash held in the employee's

account in the Stock Ownership Plan or credited to the employee's account in the Excess Benefit Plan; and

(3) the aggregate amount of any dividend distributions under paragraph 3d above or other distributions made to the employee under paragraph 3i below, each valued at their Market Value as of the time of distribution.

The Company may, in its discretion, pay the Shortfall in cash, shares of New Common Stock or a combination thereof, provided that:

(1) any shares of New Common Stock will be based on the Market Value as of the payment date;

(2) the individual may elect, within 60 days of the payment date, to authorize the sale of any or all such shares of New Common Stock;

(3) the Company will guarantee that the proceeds received from the sale of such shares of New Common Stock will be not less than their Market Value as of the payment date and the Company will pay to the individual the amount of any excess of such Market Value over the price actually received on such sale; and

(4) the Company will pay all transaction costs associated with the sale of such shares of New Common Stock.

For purposes of this paragraph 3h, Market Value shall mean the average closing trading price of the New Common Stock on the NYSE for the 10 trading days immediately preceding the

date of distribution or the payment date, whichever is applicable.

**I. Rights of Sale, Transfer and Early Withdrawal.**

The employee shall have the right at any time to direct the sale of some or all of the shares of New Common Stock allocated to his or her account within the Stock Ownership Plan. The New Common Stock, or the cash proceeds from the sale thereof, may be withdrawn by the employee on a monthly basis, except that with respect to an employee who has less than 60 months of participation in the Stock Ownership Plan, such withdrawal may not be made sooner than two years after the earlier of the contribution of the New Common Stock or the contribution of the Old Preferred Stock which was converted to shares of New Common Stock. Cash could be paid in lieu of fractional shares on withdrawal. The New Common Stock or cash proceeds from the sale thereof may be withdrawn as of the end of any month. If an employee does not elect to withdraw the cash proceeds from a sale of New Common Stock, the Trustee will invest the cash proceeds as provided in paragraph 3j below.

Employees who reach the later of age 55 or 10 years of participation in the Stock Ownership Plan may make an election to transfer a portion of their account to another qualified plan designated for such purpose.

If an employee exercises his or her rights under this paragraph, the Shortfall Obligation payable shall be adjusted by multiplying it by a fraction, the numerator of which is the number of shares of New Common Stock in the Stock Ownership Plan and Excess Benefit Plan accounts at the date of distribution and the denominator of which is the number of shares of

New Common Stock contributed or credited to the Stock Ownership Plan and Excess Benefit Plan accounts. The fraction so determined shall not exceed 1.0 and the number of shares used to compute it shall be adjusted for any stock splits (including stock dividends at a rate which in any calendar year shall exceed in the aggregate 25%).

**J. Individual Accounts; Trustee Actions.** All shares of New Common Stock will be held by the Trustee on behalf of employees in the individual employees' accounts credited with beneficial interests in such shares. If the employee requests delayed payment, or it delay is required because of the two-year rule in paragraph 3i above, the Trustee will invest and reinvest in permissible investments any funds received from dividends or the sale of New Common Stock. Permissible investments shall include certificates of deposit of major banking institutions or comparable securities, the capital value of which will not decline, and which will pay the maximum available rate of interest. Any investments and distributions by the Trustee will be made in accordance with the provisions of ERISA and the Internal Revenue Code. Sales of New Common Stock by the Trustee will be made in an orderly way over a period of not more than ton business days.

k. The Stock Ownership Plan, adopted by the Company pursuant to the Restatement Agreement dated June 25, 1993, and the June 23, 1993 letter regarding the Company's Shortfall obligation agreed to by the parties reflect the detailed implementation of this paragraph 3 and are hereby incorporated as part of this Agreement.

**4. Rulings & Consents Required to Establish Plan & Trust: Remedies If Not Obtained.**

In order to continue to maintain the Stock Ownership Plan, it will be necessary to obtain from the Internal Revenue Service a determination that the plan continues to be qualified under Section 401 of the Code. If this ruling is not obtained, then the USWA and the Steel Group will negotiate to develop a comparable plan which does not require such ruling and in the event the parties are unable to agree within 90 days, the issue will be submitted to an arbitrator for binding arbitration with respect to the institution of a plan which will provide comparable benefits to employees at comparable cost to the Company.

**5. Miscellaneous.** The Steel Group will pay all expenses relating to the establishment and operation of the Plan which are incurred after the date of this Agreement. All plan and trust documents necessary to the establishment of the Restated Stock Ownership Plan will be prepared by Arnold & Porter subject to the approval of the USWA and the Company. The trustee under the Stock Ownership Plan will be subject to the joint approval of the USWA and the Company.

**6.** The Company will provide the USWA annually with copies of the computations made by its independent certified public accountants with respect to the Investments provided for in this Agreement. The Company will also provide the USWA with not less than quarterly reports concerning the cost reduction program of the Steel Group. The USWA shall have the right, at its expense, to have its accountants and financial advisors review appropriate records and have access to appropriate personnel, as necessary,

to verify the reports required under this paragraph (and may ask questions regarding why the historical result of the Steel Group differs from the business plan discussed at the 1986 labor negotiations and regarding capital expenditures of the Steel Group reflected in the Steel Group's periodic reports under the federal securities laws) but any such expenses incurred by the USWA shall be reimbursed as soon as possible from the Profit-Sharing Pool and deducted from the amounts otherwise available under such Pool for the payment of Shortfalls.

7. The New Common Stock and any other securities of The LTV Corporation or LTV Steel issued to the Trust shall be validly issued, fully paid and nonassessable and the exchange of the Old Preferred Stock for New Common Stock will be duly approved, authorized and in accordance with all applicable provisions of law or contract. The Trustee of the Plan will be provided annually with such opinions of counsel and other documentation as shall be reasonably requested by the Trustee.

## EXHIBIT A

Each Employee shall receive a report annually of the Shortfall Balance Requirement such Employee has under the Employee Investment Program, the number of shares of New Common Stock and cash in the Employee's accounts under the Stock Ownership Plan and the Excess Benefit Plan, and the percentage of Shortfall rights, if any, to which the Employee is entitled.

Should any Employee believe that his account has not been calculated properly after having made a reasonable attempt to resolve the

matter with management, he shall have recourse to the grievance and arbitration procedure set forth in this Agreement to protest the amount credited to his account under the Employee Investment Program.

## EXHIBIT B

The allocation of shares of New Common Stock to an Active Employee's accounts in the Stock Ownership Plan and the Excess Benefit Plan shall be as follows:

1. With respect to contributions of New Common Stock to be made as of the Effective Date and the first anniversary date of the Effective Date, an Active Employee's share will be the product obtained by multiplying the total number of shares scheduled to be allocated by a fraction the numerator of which is the Time and Risk Adjusted Balance for such Active Employee and the denominator of which is the aggregate Time and Risk Adjusted Balances for all Active Employees.

2. With respect to contributions of New Common Stock to be made as of the second through fourth anniversaries of the Effective Date, an Active Employee's share will be the product obtained by multiplying the total number of shares scheduled to be allocated by a fraction the numerator of which is the number of shares of New Common Stock and Excess Common Stock then held in the Account, or credited to the Excess Account, of such Active Employee and the denominator of which is the total number of shares of New Common Stock and Excess Common Stock then held in the Accounts and Excess Accounts of all such Active Employees.

3. For purposes of this Agreement, the

following terms shall be defined as set forth below:

"Active Employee" shall mean an individual with an account in the Stock Ownership Plan or the Excess Benefit Plan who has not had a Termination of Service as of the Effective Date.

"Anticipated Shortfall Balance Requirement" shall mean the Shortfall Balance Requirement of an Active Employee increased by an amount equal to 5% of the Investment Portion for each full year from the Effective Date to the 62nd birthday of such employee.

"Effective Date" shall mean June 28, 1993.

"Termination of Service" shall mean retirement, death, disability, resignation or other termination of the employment relationship. In the event of a layoff or absence due to illness, the date of Termination of Service shall be the expiration of two years after the last day worked without return to active status.

"Time and Risk Adjusted Balance" shall mean the present value, as of the Effective Date, of an individual's Anticipated Shortfall Balance Requirement, based upon a discount rate of 7% per year.

# EXHIBIT C

June 23, 1993

Mr. Anthony Rainaldi
Co-Chairman-Negotiating Committee
United Steelworkers of America
390 Ohio River Boulevard
Baden, PA 15005

Dear Mr. Rainaldi:

This will confirm our understanding in respect of certain of the Company's obligations regarding the Employee Investment Program ("EIP"), notwithstanding legal limitations on amounts that may be contributed to the Employee Stock Ownership Plan ("ESOP"). "Company" shall mean the Contracting party as defined in Appendix D to the 1992 Settlement Agreement. Other terms used herein shall have the same meaning as such terms have under the ESOP and this letter shall constitute the Excess Benefit Plan referred to in the ESOP.

1. Exhibit A hereto (LTV letter of August 6, 1987 to you together with any supplements thereto) reflects the program established, prior to the Company's reorganization, to satisfy Company obligations pursuant to the EIP which could not be satisfied by timely contributions to the ESOP. All accounts existing under Exhibit A immediately prior to the Company's reorganization shall continue thereafter. All shares of stock credited to accounts established pursuant to Exhibit A shall be converted into new common stock on the same basis and to the same extent as such shares would be so converted if held by the ESOP on the date of reorganization.

2. On the effective date of the reorganization ("Restatement Date"), the Company will establish for each Active Employee (as defined in the ESOP) a bookkeeping account if one does not already exist for each such Employee. The Company will credit to such account immediately the maximum number of shares that could be contributed to his/her account for 1993 before application of the limitations of Section 415 of the Internal Revenue Code ("Code"). The Company will promptly notify each Active Employee of the amount of shares so credited. Once the Company is able to determine the maximum allowable 1993 contribution to the ESOP for each such Active Employee, and once such maximum contribution is made, the bookkeeping account will be reduced accordingly.
3. On and after the Restatement Date, if the reorganized Company ("Company") is prevented in any subsequent year by the provisions of Section 415 of the Internal Revenue Code ("Code"), from making a contribution to the Account of any Active Employee under the restated ESOP, then the Company will establish a bookkeeping account for such Employee (if such an account does not already exist) and credit such account with a number of new LTV common shares equal to the number of such shares that would have been contributed to his/her account but for the

restrictions imposed by Code Section 415. This Excess Benefit Plan shall be unfunded and shall be funded only at such time as, and to the extent that, an Employee is entitled to a distribution thereunder, as discussed below.

4. Bookkeeping accounts established hereunder shall be credited with dividends and other income, if any, to the same extent as if such stock were held in the ESOP trust. In any year that the limitations of Section 415 are not reached for any Employee with a bookkeeping account, the Company will contribute the maximum allowable number of new LTV common shares to the Employee's Account in the ESOP up to the number of shares credited to his/her bookkeeping account and will adjust the bookkeeping account accordingly.
5. Except as otherwise provided in paragraph 6 below, Employees with bookkeeping accounts under the Excess Benefit Plan shall be entitled to all the rights, options, and elections, to the extent practicable, with respect to the stock credited to such account, as though such stock were shares of stock held in such Employee's ESOP account. Specifically, bookkeeping stock can be converted to cash credits at the stock's then market value and such cash credits will accrue additional credits for interest that would be earned if the cash were held in an ESOP account. Employees with book-

keeping accounts maintained by the Company under this Excess Benefit Plan shall be entitled to distributions from the Company of amounts credited thereunder in the same manner and to the same extent as though such accounts were funded and maintained by the ESOP.

6. No amounts credited to an Active Employee's Account pursuant to paragraph 2 above shall be eligible for conversion to cash credits for distribution prior to the date on which the Company actually makes its common stock contribution to the ESOP in respect of the 1993 year; provided however, that in the event of Termination of Service, such accounts shall be eligible for conversion and distribution in accordance with paragraph 5 above.

The terms of this letter shall constitute the xcess Benefit Plan" for the ESOP.

Very truly yours,
/s/ A. C. Tremain
A. C. Tremain
Vice President-
Industrial Relations

CONFIRMED:
/s/ Anthony Rainaldi
Anthony Rainaldi
Co-Chairman-Negotiating Committee

## EXHIBIT A TO EXHIBIT C

August 6, 1987

Mr. Anthony Rainaldi
Co-Chairman-Negotiating Committee
United Steelworkers of America
390 Ohio River Boulevard
Baden, PA 15005

Dear Mr. Rainaldi:

This will confirm our understanding with respect to the effect of legal limitations on the amounts the Company can contribute to the Employee Stock Ownership Plan ("ESOP") under the Employee Investment Program ("EIP").

If the Company is prevented in any year by the provisions of Section 415 of the Internal Revenue Code of 1986, as amended ("Code"), from making a contribution to the Account of an Employee under the ESOP ("Stock Account"), then the Company will establish a bookkeeping account for the Employee as part of an Excess Benefit Plan and credit such account with a number of Excess Preferred Shares equal to the additional number of shares of Preferred Stock that would have been contributed to his Stock Account but for the restrictions imposed by Code Section 415; provided, however, that if the amount of Preferred Stock that cannot be contributed in any year for an Employee by reason of Code Section 415 has an aggregate stated value of $100 or less, such amount will be paid to the Employee by the Company in cash and such amount shall not be credited under the Excess Benefit Plan. The Excess Benefit Plan shall be unfunded and shall be funded only at such time as, and to the extent that, an Employee is entitled to a distribution thereunder, as discussed below.

The Company will maintain the bookkeep-

ing account for the Employee and will credit such account with additional Excess Preferred Shares equal to the number of shares of Preferred Stock that would have been paid as a dividend on the Preferred Stock (to the extent of actual dividend declarations) that would have been contributed to his Stock Account but for the restrictions imposed by Code Section 415. In any year that the limitations of Code Section 415 are not reached for an Employee with a bookkeeping account, the Company will contribute Preferred Stock to the Employee's Stock Account up to the limitations and shall reduce the number of Excess Preferred Shares in the bookkeeping account by the same amount.

Employees with bookkeeping accounts maintained by the Company under the Excess Benefit Plan shall be entitled to all the rights, options, and elections, to the extent practicable, with respect to Excess Preferred Shares in such account, as though such Excess Preferred Shares were shares of Preferred Stock. For purposes of the rights of an Employee to exchange his Preferred Stock for Common Stock, such rights shall be exercisable by the Employee with respect to his Excess Preferred Shares by "exchanging" such Excess Preferred Shares for Excess Common Shares. Such an "exchange" of Excess Preferred Shares shall carry rights to a "Shortfall", to the extent that rights to a Shortfall would arise under Paragraph 3(f) of the EIP, as though such Excess Preferred Shares were shares of Preferred Stock. Excess Common Shares can be "exchanged" for cash credits in the same manner and at the same times as specified in the EIP. Amounts credited to an Employee's bookkeeping account other than as Excess Preferred Shares or Excess Common

Shares shall accrue additional credits for interest that would be earned on such amounts were such amounts held in cash in the ESOP.

To the extent practicable, Employees with bookkeeping accounts maintained by the Company under the Excess Benefit Plan shall be entitled to distributions from the Company of amounts credited to such bookkeeping accounts in the same manner and to the same extent as though such accounts were funded and maintained under the ESOP and as though the Excess Shares were shares of Preferred Stock in Trust subject to the exchange feature discussed above except that, in all cases, distributions shall be made only in cash.

Very truly yours,
/s/ A. C. Tremain
A. C. Tremain
Vice President
Industrial Relations

CONFIRMED:
/s/ Anthony Rainaldi
Anthony Rainaldi
Co-Chairman-Negotiating Committee

# APPENDIX EEE

## LETTER AGREEMENT ON COORDINATORS

August 1, 1999

Mr. David R. McCall
Co-Chairman-Negotiating Committee
United Steelworkers of America
777 Dearborn Park Lane, Suite J
Columbus, OH 43085

Dear Mr. McCall:

This letter will confirm the understanding reached during the 1999 negotiations.

1. In the last several years, the parties have committed themselves to a number of joint undertakings crucial to the success of the Company, its employees, and the Union. Even a partial listing of these programs would include the revised and expanded USWA/LTV Steel Memorandum of Understanding on Employee and Union Involvement, the Trade and Craft Training Revitalization programs, the Employment Security Plan, the expanded New Employee Orientation, and the Institute for Career Development. These recent initiatives build on other joint initiatives that have long been in effect.

2. In recognition of the crucial role being served by the Union in accomplishing the joint goals of the parties, the parties agree as follows:

a) The Union Chairman of the Negotiating Committee shall select and direct three (3) Company-level Coordinators who shall be responsible throughout the Company for implementation and ongoing monitoring of joint undertakings of mutual interest to the Company and the Union, including the Institute for Career Development, the OCTF,

Partnership, and Trade and Craft Training Revitalization. It is expected that Coordinators will visit each of the Company's locations on a regular basis in the performance of his/her duties.

b) Each Coordinator shall be an employee of the Company. The Coordinator shall be compensated by the Company in the amount of the appropriate wages, benefits and other fringe benefits he/she would have earned during his/her normal course of employment with the Company but for this assignment. In addition, said Coordinators shall be reimbursed from OCTF funds for out-of-pocket expenses including, but not limited to, travel (coach airfare, hotel and per diem) incurred in connection with this assignment, up to a maximum of $40,000 per year. In order to receive such lost time payments and expense reimbursements supporting vouchers must be provided by the Coordinator.

3. The arrangement described herein shall be in addition to and fully separate from any existing arrangements regarding Company support of such programs and activities.

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager
Employee Relations and
Industrial Engineering

CONFIRMED:
/s/ David R. McCall
David R. McCall
Co-Chairman-Negotiating Committee

# APPENDIX FFF

## LETTER AGREEMENT ON NEUTRALITY

August 1, 1999

Mr. David R. McCall
Co-Chairman-Negotiating Committee
United Steelworkers of America
777 Dearborn Park Lane, Suite J
Columbus, OH 43085

Dear Mr. McCall:

A. INTRODUCTION

Over the years, the Company and the United Steelworkers of America ("USWA" or "the Union") have developed a constructive and harmonious relationship built on trust, integrity, and mutual respect. The parties place a high value on the continuation and improvement of that relationship.

B. NEUTRALITY

To underscore the Company's commitment in this matter, it agrees to adopt a position of neutrality in the event that the Union seeks to represent any non-represented employees of the Company.

Neutrality means that, except as explicitly provided herein, the Company will not in any way, directly or indirectly, involve itself in efforts by the Union to represent the Company's employees, or efforts by its employees to investigate or pursue unionization.

The Company's commitments to remain neutral as outlined above shall cease if the Company demonstrates to the arbitrator under Section G herein that during the course of an Organizing Campaign (as defined in C below), the Union is intentionally or repeatedly (after having the matter called to the Union's attention) materially misrepresenting

to the employees the facts surrounding their employment or is conducting a campaign demeaning the integrity or character of the Company or its representatives.

C. ORGANIZING PROCEDURES

Prior to the Union distributing authorization cards to non-represented employees at a Covered Workplace (meaning any workplace which is (i) controlled by the Company, as the Company is defined in Section E herein; and (ii) employs or intends to employ employees who are eligible to be represented by a labor organization in any unit(s) appropriate for bargaining), the Union shall provide the Company with written notification (the "Written Notification") that an organizing campaign (the "Organizing Campaign") will begin. The Written Notification will include a description of the proposed bargaining unit.

The organizing campaign shall begin immediately upon provision of Written Notification and continue until the earliest of: (i) the Union gaining recognition under C-5 and C-8 below; (ii) written notification by the Union that it wishes to discontinue the Organizing Campaign; or (iii) 90 days from provision of Written Notification to the Company.

There shall be no more than one Organizing Campaign in any 12-month period.

Upon Written Notification the following shall occur:

1. Notice Posting
   The Company shall post a notice on all bulletin boards at all Covered Workplaces where employees eligible to be represented within the proposed bargaining unit work and where notices

are customarily posted. This notice shall read as follows:

"NOTICE TO EMPLOYEES

We have been formally advised that the United Steelworkers of America is conducting an organizing campaign among certain of our employees. This is to advise you that:

1. The Company does not oppose collective bargaining or the unionization of our employees.
2. The choice of whether or not to be represented by a union is yours alone to make.
3. We will not interfere in any way with your exercise of that choice.
4. The Union will conduct its organizing effort over the next 90 days.
5. In their conduct of the organizing effort, the Union and its representatives are prohibited from misrepresenting the facts surrounding your employment. Nor may they demean the integrity or character of the Company or its representatives.
6. If the Union secures a simple majority of authorization cards, subject to verification, of the employees in [insert description of bargaining unit provided by the Union] the Company shall recognize the Union as the exclusive representative of such employees without a secret ballot election conducted by the National Labor Relations Board.
7. The authorization cards must unambiguously state that the signing employees desire to designate the

Union as their exclusive representative.

8. Employee signatures on the authorization cards will be verified by a third party neutral chosen by the Company and the Union."

The amended version of this notice as described above will be posted as soon as the Unit Determination procedure in C-3 below is completed.

In addition, following receipt of Written Notification, the Company may issue one written communication to its employees concerning the Campaign. Such communication shall be restricted to the issues covered in the Notice referred to in C-1 above or raised by other terms of this Neutrality Appendix.

The communication shall be fair and factual, shall not demean the Union as an organization nor its representatives as individuals and no reference shall be made to any occurrence, fact or event relating to the Union or its representatives that reflects adversely upon the Union, its representatives or unionization.

The communication shall be provided to the Union at least two business days prior to its intended distribution. If the Union believes that the communication violates the strictures of this provision it shall so notify the Company. Thereupon the parties shall immediately bring the matter to arbitration and the arbitrator shall issue a bench decision resolving any dispute.

2. Employee Lists

Within five days following Written Notification, the Company shall provide the Union with a complete list of all of

its employees in the proposed bargaining unit who are eligible for union representation. Such list shall include each employee's full name, home address, job title and work location. Upon the completion of the Unit Determination procedure as described in C-3 below, an amended list will be provided if the proposed unit is changed as a result of such Unit Determination procedure. Thereafter during the Organizing Campaign, the Company will provide the Union with updated lists monthly.

3. Determination of Appropriate Unit
As soon as practicable following Written notification, the parties will meet to attempt to reach an agreement on the unit appropriate for bargaining. In the event that the parties are unable to agree on an appropriate unit, either party may refer the matter to the Dispute Resolution Procedure contained in Section G below. In resolving any dispute over the scope of the unit, the arbitrator shall apply the principles used by the NLRB.

4. Access to Company Facilities
During the Organizing Campaign the Company, upon written request, shall grant reasonable access to its facilities to the Union for the purpose of distributing literature and meeting with unrepresented Company employees. Distribution of Union literature shall not compromise safety or production, disrupt ingress or egress, or disrupt the normal business of the facility. Distribution of Union literature inside Company

facilities and meetings with unrepresented Company employees inside Company facilities shall be limited to non-work areas during non-work time.

5. Card Check
If, at any time during an Organizing Campaign which follows the existence at a Covered Workplace of a substantial and representative complement of employees in any unit appropriate for collective bargaining, the Union demands recognition, the parties will request that a mutually acceptable neutral (or the American Arbitration Association if no agreement on a mutually acceptable neutral can be reached) conduct a card check within five days of the making of the request. The neutral shall compare the authorization cards submitted by the Union against original handwriting exemplars of the entire bargaining unit furnished by the Company and shall determine if a simple majority of eligible employees has signed cards. The list of eligible employees shall be jointly prepared by the Union and the Company.

6. Union Recognition
If at any time during an Organizing Campaign, the Union secures a simple majority of authorization cards of the employees in an appropriate bargaining unit, the Company shall recognize the Union as the exclusive representative of such employees without a secret ballot election conducted by the National Labor Relations Board. The authorization cards must unambigu-

ously state that the signing employees *desire to designate the Union as their* exclusive representative for collective bargaining purposes. Each card must be signed and dated during the Organizing Campaign.

D. HIRING

1. The Company shall, at any Covered Workplace which it builds or acquires after [the effective date of this Neutrality Appendix], *give preference* in hiring to qualified employees of the Company then accruing continuous service in bargaining units covered by a Basic Labor Agreement. In choosing between qualified applicants from such bargaining units, the company shall apply standards established by Section XIII of the Basic Labor Agreement.
   This Section *D-1shall only* apply where the employer for the purposes of collective bargaining is or will be the Company, a Parent or an Affiliate (and not a Venture) provided, however, that in a case, where a Venture will likely have an adverse impact on employ*ment opportunities for then current* bargaining unit employees covered by this *Basic Labor Agreement, then this* Section D-1 shall apply to such Venture as well.
2. Before implementing this provision the Company and the Union will decide how this preference will be applied.
3. In determining whether to hire any *applicant at a Covered Workplace* (whether or not such applicant is an *employee covered by a Basic Labor*

Agreement), the Company shall refrain from using any selection procedure, which, directly or indirectly, evaluates applicants based on their attitudes or behavior toward unions or collective bargaining.

E. DEFINITIONS AND SCOPE OF THIS AGREEMENT

1. Rules with Respect to Affiliates, Parents and Ventures

For Purposes of this appendix only, the Company includes (in addition to the Company) any entity which is:

(i) engaged in (a) the mining, refining, production, processing, transportation, distribution or warehousing of raw materials used in the making of steel; or (b) the making, finishing, processing, fabricating, transportation, distribution or warehousing of steel; and

(ii) either a Parent, Affiliate or a Venture of the Company.

For purposes of this appendix, a Parent is any entity which directly or indirectly owns or controls more than 50% of the voting power of the Company; an Affiliate is any entity in which the Company directly or indirectly: (a) owns more than 50% of the voting power or (b) has the power based on contracts or constituent documents to direct the management and policies of the entity; and a Venture is an entity in which the Company owns a material interest.

2. Rules with Respect to Existing Parents, Affiliates and Ventures

The Company agrees to cause all of its existing Parents, Affiliates and/or Ventures that are covered by the provisions of Section E-1 above, to become a party/parties to this appendix and to achieve compliance with its provisions.

3. Rules with Respect to New Parents, Affiliates and Ventures
   The Company agrees that it will not consummate a transaction, the result of which would result in the Company having or creating: (i) a Parent, (ii) an Affiliate or (iii) a Venture; without ensuring that the new Parent, new Affiliate and/or new Venture if covered by the provisions of Section E-1 above, agrees to and becomes bound by this appendix.

F. BARGAINING IN NEWLY-ORGANIZED UNITS

Where the Union is recognized pursuant to the above procedures, the first collective bargaining agreement applicable to the new bargaining unit will be determined as follows:

1. The employer and the Union shall meet within 14 days following recognition to begin negotiations for a first collective bargaining agreement covering the new unit bearing in mind the wages, benefits, and working conditions in the most comparable operations of the Company (if any comparable operations exist), and those of unionized competitors to the facility in which the newly recognized unit is located.
2. If after 90 days following the commencement of negotiations the parties are unable to reach agreement for such

a collective bargaining agreement, they shall submit those matters that remain in dispute to the Chairman of the Union Negotiating Committee and the Company's Vice President – Industrial Relations who shall use their best efforts to assist the parties in reaching a collective bargaining agreement.

3. If after 90 days following such submission of outstanding matters, the parties remain unable to reach a collective bargaining agreement, the matter may be submitted to final offer interest arbitration in accordance with procedures to be developed by the parties.
4. If interest arbitration is invoked, it shall be a final offer package interest arbitration proceeding. The interest arbitrator shall have no authority to add to, detract from, or modify the final offers submitted by the parties, and the arbitrator shall not be authorized to engage in mediation of the dispute. The arbitrator's decision shall select one or the other of the final offer packages submitted by the parties on the unresolved issues presented to him in arbitration. The interest arbitrator shall select the final offer package found to be the more reasonable when considering (a) the negotiating guideline described in F-1 above, (b) any other matters agreed to by the parties and therefore not submitted to interest arbitration, and (c) the fact that the collective bargaining agreement will be a first contract between the parties. The decision shall be in writing and shall be rendered within

thirty (30) days after the close of the interest arbitration hearing record.

5. Throughout the proceedings described above concerning the negotiation of a first collective bargaining agreement and any interest arbitration that may be engaged in relative thereto, the Union agrees that there shall be no strikes, slowdowns, sympathy strikes, work stoppages or concerted refusals to work in support of any of its bargaining demands. The Company, for its part, likewise agrees, not to resort to the lockout of employees to support its bargaining position.

G. DISPUTE RESOLUTION

Any alleged violation or dispute involving the terms of this appendix may be brought to a joint committee of one representative of each of the Company and the Union. If the alleged violation or dispute cannot be satisfactorily resolved by the parties, either party may submit such dispute to arbitration. A hearing shall be held within ten (10) days following such submission and the arbitrator shall issue a decision within five days thereafter. Such decision shall be in writing but need only succinctly explain the basis for the findings. All decisions by the arbitrator pursuant to this appendix shall be based on the terms of this appendix and the applicable provision of the law. The arbitrator's remedial authority shall include the power to issue an order requiring the Company to recognize the Union where, in all the circumstances, such an order would be appropriate.

The arbitrator's award shall be final and binding on the parties and all employees cov-

**ered by this appendix. Each party expressly waives the right to seek judicial review of said award; however, each party retains the right to seek judicial enforcement of said award.**

**Sincerely yours,**
**/s/ A. Cole Tremain**
**A. Cole Tremain**
**Vice President**
**Industrial Relations**

***CONFIRMED:***
**/s/ David R. McCall**
**David R. McCall**
**Co-Chairman-Negotiating Committee**

# APPENDIX GGG

## LTV STEEL COMPANY, INC.
## LTV VEBA TRUST

Trust:

The parties will establish a Voluntary Employees' Beneficiary Association Trust ("VEBA Trust") which will be dedicated to the payment of certain post employment medical and life insurance benefits as set forth herein.

Beneficiaries:

Retirees and dependents from the USWA bargained for employees units who are eligible or will become eligible to receive benefits ("Covered Individuals").

OPEB Liability:

The present value of the Company's obligations for Other Post Employment Benefits for retires health and life insurance benefits for Covered Individuals (collectively, "OPEB") as calculated under FAS No. 106 and reported in the Company's audited financial statements "FAS 106 Liability").

Required Contributions:

*Regular Contributions:*

Subject to the limitations described below, commencing 4/15/95, the Company shall make annual contributions ("Regular Contributions") equal to 15% of cash flow in years when no common stock dividends have been paid or 25% in years when common stock dividends have been paid with cash flow defined as the prior year's consolidated net income (loss) for The LTV Corporation excluding the operating income (loss) of non-steel

businesses adjusted to reflect a pro-rata share (based on the percentage of identifiable assets to the total for the steel and non-steel businesses) of interest income/expense, corporate administrative expenses, taxes and preferred stock dividends,

Plus:

Adjustments for items not affecting cash from operating activities

- Depreciation and amortization for the Steel Group
- Consolidated deferred income taxes
- EIP expense
- Expense for OPEB, Retired Coal Miners Insurance and Workers Compensation

Minus (for the Steel Group):

- Capital expenditures
- Pension funding in excess of pension expense less funding required by the PBGC Settlement Agreement in Section 5.2(a) relating to the Bar Trust Funds and Section 5.2(c) and less pension contributions provided by funding of proceeds from funds raised in the capital markets
- Required debt repayments for debt and capital lease repayments outstanding as of March 31, 1994
- Payments for idle asset or environmental expenditures in excess of expense
- EIP cash payments
- Other employee related payments for OPEB, Retired Coal Miners Insurance and Workers Compensation

In addition, net income (loss) will be adjusted as follows:

The following items defined under generally accepted accounting principles or which are in common use in public financial statement reporting will be excluded from net income or loss and adjusted for cash tax effects: the pre-tax income or loss related to charges or credits (whether or not identified as special credits or charges) for unusual or infrequently occurring items (such as plant shutdowns, business dispositions or sale of property, plant and equipment or intangible assets) and the income or loss related to extraordinary items (such as repurchased debt) as reported on separate line items in the company's income statement. In addition,

i) credits or charges for plant shutdowns, business dispositions, sales of property, plant and equipment or intangible assets, which credits and charges are not normal operating charges or credits, and

ii) changes in provisions for bankruptcy related items

which individually exceed $1 million per occurrence, and have not been reported on separate line items in the Company's income statement, shall all be aggregated and their sum, if it exceeds $10 million net of cash taxes, shall be excluded from the calculation of net income or loss.

Limitations to Regular Contributions:

Regular Contributions will be deposited to the VEBA Trust during any year when all of the following conditions have been satisfied:

1. The VEBA Trust qualifies for tax exempt status under IRS regulations. If the VEBA

Trust does not qualify for tax exempt status under IRS regulations, then the matter will be referred to the Company and the Union Co-Chairmen for resolution. If they are unable to resolve the matter it shall be submitted to arbitration under mutually agreed procedures.

2. The Company has achieved a 50% funding level measured in accordance with FAS 87 on the six restored pension plans. This provision shall only apply for years after December 31, 1996.
3. The Company has available liquidity under its Receivables Facility (or substitute Working Capital Revolver), cash, cash equivalents and short term securities totaling at least $500 million.

Minimum Contributions:

In years when Regular contributions cannot be made, the Company will make a minimum contribution of $5 million in years when no common stock dividends are paid or $10 million when common stock dividends are paid for any quarter during the year ("Minimum Contribution"). The first Minimum Contribution will be paid July 1, 1994.

Voluntary Contributions:

The Company may from time to time provide additional contributions to the VEBA Trust ("Voluntary Contributions"). Nothing herein shall restrict the Company's right to make Voluntary Contributions in excess of the Required Contributions. Any Voluntary Contribution shall be credited against the Required Contributions in the following year(s).

Any Voluntary Contributions made by the Company will not be deducted from income

under the 1994 Agreement Profit Sharing Plan when such contributions are made but instead will be deducted when credited against Required Contributions or used as provided below.

Financial Flexibility:

Required payments may be made in either cash or stock.

In any year when the Minimum Contribution is made, the Company can utilize any prior Voluntary Contributions, not previously credited against Regular Contributions, to pay current year's OPEB obligations and, in each succeeding consecutive year, when a Minimum Contribution is made the Company can utilize any remaining Voluntary Contributions.

National Health Care Legislation:

The VEBA Trust shall also receive contributions equal to any savings derived from the implementation of a National Health Care Program, as set forth in the Parties' letter agreement on National Health Care.

Cessation of Funding Obligation:

The Company's obligation to fund the VEBA Trust shall terminate in the event the value of the assets in the VEBA Trust reaches a total which equals or exceeds ninety percent (90%) of the FAS 106 Liability for the Covered Individuals as periodically determined by independent actuarial valuations.

Continuing Obligations:

The Company shall continue to be obligated to make all benefit payments pursuant to the applicable collective bargaining agreements; provided, however, that the assets of the VEBA Trust may be drawn upon to pay for benefits during the quarter when the VEBA

Trust assets exceed 50% of the FAS 106 Liability or as provided in Financial Flexibility.

Coordination with Collateral Trust Agreement:

The sum of:

(1) the assets of the VEBA Trust; and

(2) the Coverage Value of the Collateral under the Collateral Trust Agreement, multiplied by a fraction, the numerator of which is the USWA Retiree Health Obligations and the denominator of which is the Secured Obligations,

shall not exceed 100% of the FAS 106 Liability.

Pari Passu Pledge:

The Company will grant to the VEBA Trust covenants which shall set forth that in the event that the Company incurs, assumes or guarantees any indebtedness for money borrowed and such debt is secured by a pledge or other lien on, or security interest in all or any part of its principal steel plants, then the VEBA Trust will become secured equally and ratably with such debt; provided, however, these covenants shall not apply to any indebtedness or liens which are permitted under the TBT Credit Agreement (or successor working capital agreements), PBGC Settlement Agreement, the SMI Securities Purchase Agreement or the Collateral Trust Agreement.

Consents of Other Parties:

The Company has obligations under the PBGC Settlement Agreement, the TBT Credit Agreement, and other POR Agreements and successors thereto which must be satisfied prior to making any contributions. The Company will work toward obtaining such consents as may be required now or in the future to facilitate making required contributions

under this agreement. In the absence of any required consent the Company is not required to make either Regular or Minimum Contributions. In any such event, the matter will be referred to the Company and Union Co-Chairmen for resolution. If they are unable to resolve the matter it shall be submitted to arbitration under mutually agreed procedures, except that if consent is not obtained from the TBT lenders, the Company will defer making contributions to the VEBA until the TBT Agreement expires, at which time, the Company will pay to the VEBA all deferred contributions, including interest, compounded annually, using the discount rate used to present value the FAS 106 Liability.

## APPENDIX HHH

## LETTER AGREEMENT ON APPLICATION OF THE EMPLOYMENT SECURITY PLAN TO EMPLOYEES OF THE TUBULAR PLANTS

**August 1, 1999**

**Mr. David R. McCall**
**Co-Chairman-Negotiating Committee**
**United Steelworkers of America**
**777 Dearborn Park Lane, Suite J**
**Columbus, OH 43085**

**Dear Mr. McCall:**

**This will confirm the understanding concerning application of the Employment Security Plan ("Plan") provisions in Appendix KK of the 1994 Labor Agreement between LTV Steel (formerly Republic Steel) and the United Steelworkers of America (1994 Agreement) to**

employees of the Company's Cleveland, Elyria, Counce and Youngstown Tubular Plants. This understanding replaces Appendix KK-2 of the 1994 Agreement.

Effective August 1, 1999 at each such plant, it is understood that only the employees required to staff the plant at the operating level for the week beginning July 25, 1999, as indicated on the attachment, and who had accrued two years of continuous service as of that date are protected under the Plan. Employees required to staff the plant at the operating level for the week beginning July 25, 1999 with less than two years of continuous service will become eligible for employment security protection after they have accrued two years of continuous service.

Any employee hired after August 1, 1999 will become eligible for employment security protection only after he replaced, on a one-for-one basis, an employee protected by employment security who quits, dies, retires or is terminated for any other reason, and then only after he has accrued three years of continuous service. This provision becomes effective only after the number of employees at the respective plants exceeds, by the percent indicated on the attachment, their roll force for the week beginning July 25, 1999.

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager
Employee Relations and
Industrial Engineering

CONFIRMED:
/s/ David R. McCall
David R. McCall
Co-Chairman-Negotiating Committee

## FOR THE PURPOSE OF EMPLOYMENT SECURITY ONLY, EMPLOYEES REQUIRED TO STAFF EACH PLANT AT THE OPERATING LEVEL FOR THE WEEK BEGINNING JULY 25, 1999:

| PLANT | July 25, 1999 STAFFING LEVEL | ESP %INCREASE |
|---|---|---|
| CLEVELAND | 80** | 7.0% |
| COUNCE | 52 | 20.0% |
| ELYRIA | 67 | 9.0% |
| YOUNGSTOWN | 59 | 17.0% |

**The staffing levels at the Cleveland Plant will be reduced to 80 through attrition from their current roster when an employee quits, dies, retires or permanently transfers (IJOP) to another plant.

## APPENDIX III

## LETTER AGREEMENT ON INCENTIVE STRUCTURE AT THE CLEVELAND AND ELYRIA TUBULAR PLANTS

August 1, 1999

Mr. David R. McCall
Co-Chairman-Negotiating Committee
United Steelworkers of America
777 Dearborn Park Lane, Suite J
Columbus, OH 43085

Dear Mr. McCall:

The parties recognize that the success of the Company's Cleveland and Elyria Tubular Plants is enhanced when the incentive structure best supports the efforts of the group as a whole in achieving common goals and objectives.

To achieve this end, the parties agree to jointly revise the existing incentive structure

at its Cleveland and Elyria Tubular plants by combining these plans into a simplified plantwide or like-unit basis and include product quality and customer satisfaction as part of its performance calculation. It is further understood that no employee's incentive earnings will be reduced by this change, provided the average performance of the current plans is maintained. The incentive revision will be completed by the end of the second quarter in 2000 and jointly implemented for a twelve-month trial period. Unless either party serves written notice of its intent to vacate this agreement within 30 days prior to the end of the trial period, the revised incentive plans will become permanent at the end of the trial period.

Very truly yours,
/s/ N. P. Vernon, Jr.
N. P. Vernon, Jr.
General Manager
Employee Relations and
Industrial Engineering

CONFIRMED:
/s/ David R. McCall
David R. McCall
Co-Chairman-Negotiating Committee

LTV Steel

CLOSE THE LOOP

LTV Steel

BUY RECYCLED

INR-0149
Rev 8-99