

Cornell University  
ILR School

### BLS Contract Collection – Metadata Header

This contract is provided by the Martin P. Catherwood Library, ILR School, Cornell University. The information provided is for noncommercial educational use only.

Some variations from the original paper document may have occurred during the digitization process, and some appendices or tables may be absent. Subsequent changes, revisions, and corrections may apply to this document.

For more information about the BLS Contract Collection, see  
<http://digitalcommons.ilr.cornell.edu/blscontracts/>

Or contact us:

Catherwood Library, Ives Hall, Cornell University, Ithaca, NY 14853  
607-254-5370 [ilrref@cornell.edu](mailto:ilrref@cornell.edu)

**Contract Database Metadata Elements** (for a glossary of the elements see -  
<http://digitalcommons.ilr.cornell.edu/blscontracts/2/>)

Title: **Lone Star Steel Company and United Steel, Paper and Forestry, Rubber, Manufacturing Energy, Allied Industrial Service Workers International Union (USWA) Local 4134 (2005)**

K#: **2531**

Employer Name: **Lone Star Steel Company**

Location: **TX Lone Star**

Union: **United Steel, Paper and Forestry, Rubber, Manufacturing Energy, Allied Industrial Service Workers International Union (USWA)**

Local: **4134**

SIC: **3312**

NAICS: **331111**

Sector: **P**

Number of Workers: **1250**

Effective Date: **07/18/05**

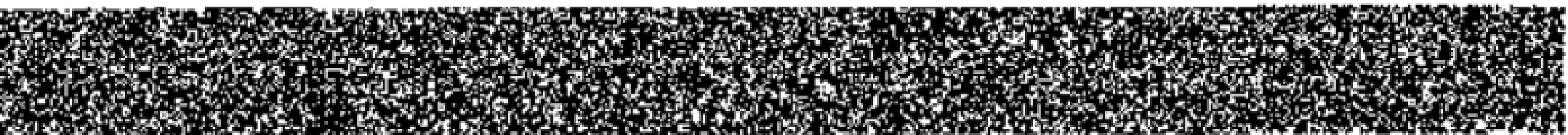
Expiration Date: **07/31/08**

Number of Pages: **116**

Other Years Available: **Y**

For additional research information and assistance, please visit the Research page of the Catherwood website - <http://www.ilr.cornell.edu/library/research/>

For additional information on the ILR School, <http://www.ilr.cornell.edu/>



AGREEMENT

BETWEEN

LONE STAR STEEL COMPANY

AND THE

UNITED STEEL, PAPER AND FORESTRY,  
RUEBER, MANUFACTURING ENERGY,  
ALLIED INDUSTRIAL SERVICES  
WORKERS INTERNATIONAL UNION

LOCAL NO. 4134

JULY 16, 2005 - JULY 31, 2008

## TABLE OF CONTENTS

	<u>Paragraph</u>	<u>Page</u>
AGREEMENT .....	1	5
Section 1		
PURPOSE AND INTENT .....		6
Section 2		
SCOPE OF AGREEMENT .....		8
Employee Defined .....	10	8
Removal and Return to Checkoff List ..	12	8
Supervisory Personnel Working .....	13	8
Local Working Conditions .....	19	9
Section 3		
MANAGEMENT .....		11
Section 4		
RESPONSIBILITIES OF THE PARTIES .....		12
Intimidation or Coercion .....	41	12
Union Activity .....	42	12
No Strike Clause .....	43	12
Jurisdiction of Arbitrator .....	49	14
Non-discrimination Clause .....	54	14
Civil Rights Committee .....	58	15
Section 5		
CHECKOFF AND DEDUCTIONS .....		16
Union Dues .....	60	16
Deduction Designee .....	65	16
Savings Bonds Deduction .....	66	17
Political Action Deduction .....	67	17
Section 6		
ADJUSTMENT OF GRIEVANCES .....		18
Limitation Periods .....	68	18
Filing Limitation .....	69	18
Discussion of Request or Complaint ..	70	18
Definition of Grievance .....	71	18
Grievance Procedure .....		19
Filing a Grievance .....	72	19
Processing of Grievances .....	86	20
Union Grievance .....	102	24
Suspension of Grievance Procedure ..	104	24
Access to Facilities .....	105	24
Union Grievance Committee .....	106	25
Company's Failure to Answer .....	107	25

	<u>Paragraph</u>	<u>Page</u>
Section 7		
<b>ARBITRATION</b> .....		27
Selection of Arbitrators .....	111	27
Payment of Arbitrators .....	113	28
Authority of Arbitrator .....	114	28
Determination of Retroactivity .....	116	28
Suspension of Arbitration .....	123	29
Section 8		
<b>DISCHARGE AND SUSPENSION CASES</b> .....		30
Hearings .....	125	30
Appeal .....	128	31
Limitation of Suspension Period .....	129	31
Authority of Arbitrator .....	130	31
Notification to the Union .....	132	31
Section 9		
<b>RATES OF PAY</b> .....		32
Standard Hourly Wage Rates .....	133	32
Profit Sharing Payments .....	134	33
Clean-up Laborer Pay .....	135	33
Shift Differentials .....	136	33
Sunday Premium Pay .....	141	34
Wage Incentive, Gainsharing .....	144	34
Job Assignment .....	153	36
Injury Pay .....	154	36
Pay Periods and Pay Days .....	155	36
Description and Classification .....		36
Purpose .....	156	36
Continuity .....	157	37
Procedure for New or Changed Jobs ..	159	37
Exhibit G .....		42
Jury Pay .....	184	43
Bereavement Pay .....	185	43
Section 10		
<b>HOURS OF WORK</b> .....		44
Scope .....	186	44
Normal Workday .....	187	44
Normal Work Pattern .....	188	44
Schedules .....		44
Deviations .....	190	44
Posting .....	191	45
Changing .....	192	45
Reporting Allowance .....	198	46
Overtime - Holidays .....	205	47
Pay for Holidays Not Worked .....	219	49

	<u>Paragraph</u>	<u>Page</u>
Nonduplication .....	223	50
Distribution of Overtime .....	225	51
<b>Section 11</b>		
<b>VACATIONS</b> .....		52
Eligibility .....	227	52
Length of Vacation .....	229	52
Holidays within a Vacation .....	231	52
Postponement of Vacation .....	232	53
Scheduling of Vacations .....	233	53
Partial Week .....	235	53
Vacation Pay .....	236	54
Vacation Upon Retirement .....	238	54
<b>Section 12</b>		
<b>SENIORITY</b> .....		55
Seniority Defined .....	239	55
Line of Progression Seniority .....	240	55
Sequence Seniority .....	241	55
Continuous Service Seniority .....	242	55
Employees Defined .....	243	55
Probationary Employee .....	244	55
Regular Employee .....	246	56
Seniority List .....	247	56
Lines of Progression .....	250	57
Promotion - Waivers .....	262	58
Permanent Transfer .....	266	59
Temporary Transfer .....	272	61
Temporary Vacancies .....	274	61
Decrease in Force .....	277	62
Inequity in Hours .....	285	63
Fitness and Ability .....	286	63
Termination of Seniority .....	287	64
Employee Address .....	299	65
Absenteeism .....	300	65
Layoff Pool .....	301	65
Military Leave .....	311	68
Military Replacements .....	312	68
Medical Leave of Absence .....	313	69
Family Leave .....	315	69
General Leave of Absence .....	316	70
Medical or General Leave of Absence ..	317	70
Leave of Absence of Union Officers ...	318	70
Supervisory Employees .....	319	70
Shift Preference .....	321	71

	<u>Paragraph</u>	<u>Page</u>
<b>Section 13</b>		
<b>SAFETY AND HEALTH</b> .....		72
Objective and Obligations of Parties .	325	72
Protective Devices, Wearing Apparel ..	329	72
Disputes .....	330	73
<b>Section 14</b>		
<b>SEVERANCE ALLOWANCE</b> .....		74
Conditions of Allowance .....	333	74
Eligibility .....	334	74
Scale of Allowance .....	337	75
Calculation of Allowance .....	338	75
Payment of Allowance .....	339	75
Nonduplication of Allowance .....	340	75
<b>Section 15</b>		
<b>BENEFITS</b> .....	342	76
<b>Section 16</b>		
<b>DATE OF TERMINATION</b> .....	343	76
<b>SIGNATURES</b> .....	346	77
<b>LETTERS OF UNDERSTANDING</b>		
Overpayment of Temporary Disability		
Income Benefits .....		78
Temporary Disability		
Income Benefits .....		80
Vacation Scheduling .....		82
Shift Preference -- Welders .....		84
Lunch Breaks .....		85
Company Physicals .....		86
Pit Utilityman .....		88
Job Retention Pending		
Suspension Determination .....		89
Contracting Out .....		91
E. W. Pipe Mill Finishing		
Job Preference .....		93
Expedited Arbitration Procedure .....		95
Discipline .....		98
Drug, Alcohol and Inhalants		
Screening Program .....		99
Mobile Equipment Operator		
Specialty Tubing .....		104
Layoff Benefit Plan .....		105
Safety Shoes .....		106
Electrical Technician .....		108
Day Shift Assignments .....		109
Voluntary Layoff During Planned		
Temporary Shut Down .....		110
Safety Agreement .....		112

## AGREEMENT

THIS AGREEMENT, which is made effective as of 1  
July 18, 2005 at 12:01 A.M., is entered into by  
and between LONE STAR STEEL COMPANY or its  
Successors (hereinafter sometimes referred to as  
the "Company"), and UNITED STEEL, PAPER AND  
FORESTRY, RUBBER, MANUFACTURING ENERGY, ALLIED  
INDUSTRIAL SERVICES WORKERS INTERNATIONAL UNION,  
or its Successors (hereinafter referred to as the  
"Union").

The Company recognizes the Union as the ex- 2  
clusive collective bargaining representative of  
the employees of the Company's Lone Star, Texas  
plant as defined in Section 2 - Scope of Agree-  
ment. Accordingly, the Union makes this Agreement  
in its capacity as the exclusive collective bar-  
gaining representative of such employees.

SECTION 1  
PURPOSE AND INTENT

The purpose of the Company and Union in 3  
entering into this labor contract is to set forth  
their agreement on rates of pay, hours of work and  
other conditions of employment so as to promote  
orderly and peaceful relations with the employees  
to achieve uninterrupted operations in the plant  
and to achieve the highest level of employee  
performance consistent with safety, good health  
and sustained effort.

The Company and the Union encourage the high- 4  
est possible degree of friendly, cooperative rela-  
tionships between their respective representatives  
at all levels with and between all employees. The  
officers of the Company and the Union realize that  
this goal depends on more than words in a labor  
agreement, that it depends primarily on attitudes  
between people in their respective organizations  
and at all levels of responsibility. They believe  
that proper attitudes must be based on full under-  
standing of, and regard for, the respective rights  
and responsibilities of both the Company and the  
Union. They believe also that proper attitudes  
are of major importance in the local plant where  
day-to-day operations and administration of the  
Labor Agreement demand fairness and understanding.

They believe that these attitudes can be en- 5  
couraged best when it is made clear that the Com-  
pany and Union Officials, whose duties involved  
negotiation of this Labor Agreement are not anti-  
union or anti-company, but are sincerely concerned  
with the best interests and well-being of the  
business and all employees.

Accordingly, the Company and the Union as 6  
evidence of their attitude and intent, have agreed  
that during the life of this Agreement, represen-  
tatives of the Company and the Union at all levels  
will meet at reasonable times upon request of  
either party. The purpose of such meetings is  
understood to be an appraisal of the problems, if

any, which have arisen in the application, administration and interpretation of this Agreement, and which may be interfering with the attainment of their joint objectives as set forth above. Such meetings shall not be for the purpose of conducting continuing collective bargaining negotiations, nor in any way to modify, add to, or detract from the provisions of this Agreement.

By such an arrangement, the parties are 7  
affording concrete evidence of a sincere attempt to accomplish the goal of cooperative good industrial relations and of their purpose to find ways to overcome difficulties or influence interfering with the attainment of the goal.

By such arrangement, the parties believe that 8  
they, as men of good will with sound purpose, may best protect private enterprise and its efficiency in the interests of all, as well as the legitimate interest of organizations within the framework of a democratic society in which regard for fact and fairness is essential.

Neither this section nor the agreement of the 9  
Company to recognize the Union as the exclusive collective bargaining representative of the Company employees listed in Section 2 shall give rise to any claim of any right on the part of any employee or the Union or of any obligation on the part of the Company except as specifically stated therein.

**SECTION 2**  
**SCOPE OF AGREEMENT**

The term "employee" as used in this Agreement, applies to all production and maintenance employees at the Company plant, except office, clerical and accounting personnel, mill clerks exclusive of scrap weighers, guards, watchmen, messengers, brickmasons, final inspectors and professional personnel, employees in the personnel, police, purchasing, telephone, traffic, fire and safety departments, and supervisory personnel with authority to promote, hire, fire, or effectively to recommend such action. 10

The use in this contract of the masculine form of any pronoun or other word is intended to include reference to persons of both sexes. 11

An employee who is promoted or transferred from a job in the bargaining unit to a job outside the bargaining unit as defined above shall be removed from the check-off list on the first of the month following the date of such promotion or transfer. Similarly, an employee returned to a job within the bargaining unit for five (5) days in any one (1) month shall be reinstated on the check-off list for such month. 12

Supervisory personnel shall not routinely perform work regularly performed by employees in the bargaining unit except: 13

- (1) instruction of bargaining unit employees, 14
- (2) emergency, 15
- (3) training, experimental or research purposes when new machinery or equipment is installed or when revised operating procedures are adopted, 16
- (4) minor, preliminary trouble shooting and incidental relief of scheduled employees. 17

A violation of this provision shall be redressed by the Company by payment to the senior employee in layoff from the seniority unit or an employee who should have performed the work. 18

### Local Working Conditions

The term "local working conditions" as used herein means specific written agreements entered into between the Company and the Union which shall reflect detailed application of the subject matter of this contract within the scope of wages, hours of work, or other conditions of employment. In order to provide a convenient means to develop an orderly application of the principles of this contract to the various departments of the Company and to encourage the parties to engage in good faith bargaining in the solution of any problems in such local application of these contractual principles, it is hereby agreed that the parties may validly provide binding "local working conditions" by mutual agreement. 19

Such local working conditions shall be co-extensive with this contract in time and consistent with the other provisions of this contract. They shall be numbered in order by mutual agreement of the parties in order to formally place them in status of "local working conditions" as herein defined. 20

Such local working conditions shall be executed for the Company by the individual designated to handle industrial relations. They shall be executed for the Union by the Chairman of the Grievance Committee of the Local Union and by the Department Grievance Committeeman and by an International Representative. 21

It is recognized that the desires of the affected employees with reference to any proposed new local working condition under consideration is a matter to be determined within the Union. 22

Is recognized and understood that as of this 23  
date the following "local working conditions" have  
been reduced to writing and are in effect:

(2)	Switching	24
(7)	Material Handling, Mobile Equipment Operator	25
(8)	E. W. Pipe Mill, No. 1 - 25 Ton Crane Agreement	26
(14)	Sequence Seniority Rules	27
(17)	Specialty Tubing - Mobile Equipment Operator	28
(21)	Casing/Line Pipe/Tubing Finishing	29
(25)	Heat Treating	30
(27)	Millwright - Air Conditioning	31
(28)	Electric Weld Pipe Mills - Coil Maker Unit	32
(29)	Specialty Tubing - Waste Water Operator	33
(30)	Quality Laboratory	34

### SECTION 3 MANAGEMENT

The management of the business and plant and the direction of the working forces, including, but not limited to, the right to hire, suspend or discharge for just cause, assign, schedule or transfer employees, adopt new or changed methods of performing the work, prescribe reasonable general plant rules and the right to relieve employees from duty because of lack of work, or for other legitimate reasons, and to contract out work, is vested exclusively in the Company, and the Company retains all rights that it legally had, subject to the restrictions of law or a specific provision of this Agreement. 35

In the exercise of its right, however, whether here enumerated, or here or elsewhere retained, the Company agrees not to discriminate as herein provided against any member of the Bargaining Unit and to exercise its prerogatives for legitimate business reasons. The Company in the exercise of its rights shall observe the provisions of this Agreement. 36

**SECTION 4**  
**RESPONSIBILITIES OF THE PARTIES**

Each of the parties hereto acknowledge the rights and responsibilities of the other party and agrees to discharge its responsibilities under this Agreement. 37

The Union (its officers and representatives, at all levels) and all employees of the Company are bound to observe the provisions of this Agreement. 38

The Company (its officers and representatives, at all levels) is bound to observe the provisions of this Agreement. 39

In addition to the responsibilities that may be provided elsewhere in this Agreement, the following shall be observed: 40

1. There shall be no intimidation or coercion of employees into joining the Union or continuing their membership therein. 41

2. There shall be no Union activity on Company time. 42

3. There shall be no strikes, work stoppages, slowdowns, or interruptions or impeding of work. No officer or representative of the Union, whether local or international, shall authorize, instigate, aid or condone any such activity. No employee shall instigate, aid or participate in any such activity. Any violation of this subdivision may be punished by discharge or suspension, as the Company may determine. 43

In the event of any strikes, work stoppages, slowdowns, or interruptions or impeding of work, the Company may elect to proceed to immediate arbitration. The Company and the Union shall each designate and make an authorized representative available for selection of the arbitrator and the arbitration hearing within 24 44

hours of the Company's request for arbitration. The Company and the Union shall immediately advise the other of the identity of its representative.

The Company and Union representatives shall immediately select the arbitrator as follows: 45

a. If there is no agreement between the Company's designated representative and the Union's designated representative on an arbitrator within 24 hours, they shall select the arbitrator by the selection process set forth in Section 7A hereof, except that all four (4) arbitrators shall be included in the selection list. 46

b. If, after going through the selection process set forth in Section 7A, the designated representatives are unable to agree on the arbitrator or none of the arbitrators named therein are available for a hearing within 72 hours after the Company has notified the Union of its intent to arbitrate, the Company or Union representative may request the American Arbitration Association, to furnish, by the most expedient method, a list of names of five (5) immediately available arbitrators. The Company and Union representative shall then immediately select the arbitrator by equal strikes from the list of arbitrators submitted by the American Arbitration Association. 47

c. If either the Company or Union representative, for any reason, fails or refuses to meet and act within the required 24-hour period to select the arbitrator, the other representative may select the arbitrator by chance drawing from the list of four (4) arbitrators set forth in Section 7A. If none are immediately available for a hearing, such representative shall then select by chance drawing the arbitrator from the list of five (5) arbitrators submitted by the American Arbitration Association. The case shall then 48

proceed to arbitration as soon as the arbitrator can possibly hear the matter. The arbitrator shall render his decision within 24 hours following conclusion of the hearing.

In any arbitration proceeding in which it is sought to set aside disciplinary action, the arbitrator shall have jurisdiction only to determine whether the employee in question did in fact individually violate this provision. 49

The Company agrees that in the case of slowdowns it will not intentionally discriminate between employees whom it knows to be similarly situated; however, this obligation shall not be enforceable in arbitration, but only in a court of competent jurisdiction. 50

The Company shall have the right to seek judicial specific enforcement of the no-strike agreement herein contained. The parties expressly agree that any and all proceedings to enforce this provision shall be filed with, maintained in, and decided by the District Court of Morris County, State of Texas, 76th Judicial District, but this provision concerning jurisdiction shall not extend to suits for damages for violation of the no-strike agreement. 51

4. The applicable procedures of this Agreement will be followed for the settlement of all grievances. 52

5. There shall be no interference with the right of the employees to become or continue as members of the Union. 53

6. There shall be no discrimination, restraint or coercion against any employee because of membership in the Union. 54

7. There shall be no lockouts. 55

8. All grievances shall be considered carefully and processed promptly in accordance with the applicable procedures of this Agreement. 56

9. The provisions of this Agreement shall be applied to all employees without regard to race, color, sex, religion, creed or national origin as required by law. 57

The Company and Union agree to form a Joint Committee on Civil Rights. The Union's representation on the Committee shall consist of no more than five (5) members plus the Local President and Chairman of the Grievance Committee. The Joint Committee will meet on request to review Civil Rights matters and advise the Company and the Union concerning such matters. 58

The Civil Rights Committee cannot, however, file or process grievances. This function is reserved to the Grievance Committee. 59

**SECTION 5**  
**CHECKOFF AND DEDUCTIONS**

The Company, on receipt of an individual 60  
written authorization from employees, on United  
Steelworkers of America Checkoff Authorization  
Forms and in accordance with the provisions there-  
of, will deduct from each pay period the Union  
dues of such employees for that pay period, and  
initiation fees if permitted by State and Federal  
Law, in amounts as determined in accordance with  
the provisions of the Constitution of the Inter-  
national Union now in effect, and promptly remit  
the same to the International Secretary/Treasurer  
of the Union.

The authorization shall not be irrevocable 61  
for a period of more than one (1) year or beyond  
the termination date of this Agreement, whichever  
occurs sooner.

The Company shall submit to the Financial 62  
Secretary of the Local Union or his designated  
representative promptly after the close of the  
first pay period of each month a revised list of  
employees who have checkoff cards on file with the  
Company but from whom no dues were deducted during  
the preceding month. This list will show the rea-  
son why the Company did not make such deductions.

The Union shall indemnify and save the 63  
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 in reliance upon the  
written authorization furnished to the Company  
under the provisions of this Section.

It is understood that the Company's Agreement 64  
is limited to authorized deductions from the em-  
ployee's pay, and that the Company is not liable  
for the dues of any employee who ceases to be due  
any pay.

The Company, on receipt of individual written 65

authorization from employees in form satisfactory to the Company and in accordance with such authorization, will deduct from the employee's pay for each pay period the proper amount and pay such amount to Northeast Texas Federal Credit Union.

The Company, on receipt of individual written authorization from employees in form satisfactory to the Company and in accordance with such authorization, will deduct from the employee's pay the amount of \$50.00 or any multiple thereof, in the second pay period of each month, and purchase U.S. Savings Bonds which shall be delivered to the employee as soon as practicable. No employee with less than 6 months' continuous service will be eligible to participate in this plan. 66

The Company, on receipt of individual written authorization from employees on United Steelworkers Political Action check-off authorization form will deduct from the employee's pay an amount designated by the employee (multiples of One [\$1.00] Dollar) per month, and pay such amount to the Treasurer, United Steelworkers of America Political Action Fund. Such amounts deducted by the Company will be transmitted quarterly. This will be by one check, but the listing shall be by separate monthly lists. This authorization may be terminable at any time by written notice to that effect individually signed by the employee and received by the Company. The signing of such United Steelworkers of America Political Action Fund checkoff form and the making of such voluntary contributions are not conditions of the membership in the Union or of employment with the Company. 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 Agreement. 67

SECTION 6  
ADJUSTMENT OF GRIEVANCES

A. Limitation of Periods

All periods prescribed in this Agreement for the filing or presentation of grievances, taking appeals from the various steps of the grievance procedure, and other time limits within which certain acts may be done, shall be jurisdictional and the expiration of any such time limit shall be an absolute bar to the act, filing, step, appeal or other thing limited thereby, and no such time limit may be waived by either party except in a writing signed by a duly authorized representative of such party.

68

B. Filing Limitation

It is the purpose of this section to provide procedure for prompt, equitable adjustment of claimed grievances. It is understood and agreed that unless otherwise specified elsewhere in this Agreement, grievances to be considered hereunder must be filed within ten (10) days, excluding Saturdays, Sundays and holidays after the date on which the fact or events upon which such alleged grievance is based shall have existed or occurred.

69

C. Discussion of Request or Complaint

Any employee who believes that he has a justifiable request or complaint shall discuss the request or complaint with his foreman, with or without the grievance or assistant grievance committeeman being present, as he may elect, in an attempt to settle same.

70

D. Definition of Grievance

"Grievance" as used in this Agreement is limited to a complaint which has not been settled as a result of the discussion required by Subsection C and which involves the interpretation or application of, or compliance with, specific provisions of this Agreement.

71

## E. Grievance Procedure

### 1. Filing a Grievance

a. A complaint which has not been settled within two (2) days as a result of the discussion required by Subsection C to be considered further, must be filed promptly in writing. 72

b. Grievances initially filed in the first step of the grievance procedure shall be in writing on grievance forms furnished by the Company and shall be dated and signed by the employee and his grievance or assistant grievance committeeman. Grievances initially filed in the second or third step of the grievance procedure shall specify the group of employees affected and be signed by the group of such complaining employees of the department or plant and their grievance committeeman or committeemen. 73

c. No employee shall be entitled to collect any money or derive any benefit from a grievance settlement or arbitration award unless he signed the grievance prior to its filing. All grievances must set forth the following: 74

(1) Name and badge number(s) of grievant(s). 75

(2) Date of alleged contract violation. 76

(3) Section and/or paragraph number of the contract which was claimed to have been violated, provided that errors may be corrected by amendment at or prior to Step 2 hearing. 77

(4) Statement of facts supporting the claim, including a sufficient statement of names, dates, times, shifts and places to enable the Company to adequately investigate the grievance. 78

(5) Remedy sought. 79

If, in the opinion of the Company, 80  
the grievance, although timely filed, does not  
sufficiently set forth the above data, the same  
shall be returned to the grievance committeeman  
for completion and returned to the Company within  
a maximum of seven (7) days, excluding Saturdays,  
Sundays and holidays.

d. Grievances shall be filed initially 81  
in the following steps of the grievance procedure  
depending upon the subject matter of the alleged  
grievance:

(1) Grievances which allege 82  
violations directly affecting only the employees  
working under a particular foreman shall be filed  
in Step 1 and be answered by such foreman.

(2) Grievances which allege 83  
violations directly affecting only the employees  
working under a particular department manager but  
under more than one (1) foreman shall be filed in  
Step 2 and be answered by such department manager  
or his representative.

(3) Grievances which allege 84  
violations directly affecting employees working  
under more than one (1) department manager shall  
be listed on agenda forms, discussed at the next  
Step 3 meeting and be answered by the Manager of  
Labor Relations or his representative.

e. Grievances which are not filed 85  
initially in the proper step of the grievance  
procedure shall be referred to the proper step for  
discussion and answered by the Company and the  
Union Representatives designated to handle  
grievances in such step.

## 2. Processing of Grievances

Step 1. The employee, if dissatisfied 86  
with the disposition of his complaint as presented

to his foreman, may have his grievance presented to his foreman by his assistant grievance committeeman and/or grievance committeeman with or without the employee being present as the employee may elect. Three (3) copies of the grievance form, properly filled out and signed, shall be presented to the foreman. The foreman shall answer the grievance within five (5) days, excluding Saturdays, Sundays and holidays from date of presentation by inserting his decision on the grievance form, signing and dating same and returning two (2) copies to the grievance or assistant grievance committeeman.

If the foreman's decision is not appealed 87  
to Step 2, the grievance shall be considered settled on the basis of the decision made and shall not be eligible for further appeal. Such settlement shall not establish a precedent.

Step 2. In order for a grievance to be 88  
considered further, it shall be appealed to the department manager within five (5) days, excluding Saturdays, Sundays and holidays from date on which the grievance form is returned. An appealed grievance or a grievance properly filed initially in this Step shall be discussed in an attempt toward settlement at a mutually convenient time between the grievance and/or assistant grievance committeeman, Chairman of the Grievance Committee and the manager of the department and/or his representatives, and answered within five (5) days, excluding Saturdays, Sundays and holidays from date of appeal or initial filing. The manager's decision and the date thereof shall be recorded on all three (3) copies of the grievance form. Two (2) copies are to be returned to the Grievance Committee. The third copy is to be forwarded to the office of the Manager of Labor Relations. Either party may call witnesses who are employees of the Company and whose attendance shall be limited to the time required for their testimony.

If the department manager's decision is 89  
not appealed to Step 3, the grievance shall be

considered settled on the basis of the decision last made and shall not be eligible for further appeal. Such settlement shall not establish a precedent.

Step 3. In order for a grievance to be considered further, it shall be appealed within five (5) days, excluding Saturdays, Sundays and holidays for consideration at a meeting of the Department Grievance Committeeman, Chairman of the Grievance Committee, International Representative and the department manager and/or his representative, the Manager of Labor Relations and/or his representative, on the earliest date of mutual convenience, but within fifteen (15) days, excluding Saturdays, Sundays and holidays. An appealed grievance or a grievance properly filed initially in this Step shall be listed on agenda forms by the Grievance Committee and Management and copies of such forms shall be exchanged not less than three (3) days, excluding Saturdays, Sundays and holidays before such meeting. Grievances not listed on the agenda shall not be discussed except as mutually agreed upon. Grievances properly on the agenda or matters not discussed in prior Steps, may, by mutual agreement, be referred back for further consideration or discussion in a prior Step. Either party may request a statement of facts to be made available not later than three (3) days, excluding Saturdays, Sundays and holidays preceding the date set for the Step 3 meeting. Either party may call witnesses who are employees of the Company and attendance shall be limited to the time required for their testimony. Except for witnesses, the Step 3 meeting shall be limited to the representatives of the Company and the representatives of the Union, unless otherwise mutually agreed upon in advance of the meeting.

Grievances discussed and not settled in such meetings shall be answered in writing by Company management within ten (10) days, excluding Saturdays, Sundays and holidays after the date of such meeting unless by mutual agreement a differ

ent date for disposition is agreed upon. Such written decision may be set forth in minutes of Step 3 meetings, hereinafter provided for, or attached thereto.

Minutes of all Step 3 meetings shall be prepared and signed by the Supervisor of Labor Relations and/or his representatives and shall be signed by the Manager of Labor Relations and/or the Manager of Industrial Relations. Two (2) copies of such minutes shall be forwarded to the International Representative not later than ten (10) days, excluding Saturdays, Sundays and holidays, after the date on which the meeting was held, unless by mutual agreement a different date for disposition is agreed upon. Minutes shall conform to the following general outlines:

- a. Date and place of meeting. 93
- b. Names and positions of those present and those absent. 94
- c. Identifying number and description of such grievance discussed. 95
- d. Brief statement of Union's position. 96
- e. Brief statement of Company's position. 97
- f. Summary of the discussion. 98
- g. Decision reached. 99

In order for a grievance to be considered further, the complaining party shall either (1) invoke arbitration by filing a written request therefore with the Company within ten (10) days, excluding Saturdays, Sundays and holidays, after the receipt by the Union of the Company's written decision in Step 3, or (2) file suit in a court of competent jurisdiction within twenty (20) days, excluding Saturdays, Sundays and holidays, after the receipt of the Company's written decision in Step 3, and in such case, nothing in the grievance

or arbitration procedure shall affect the court's power to determine whether the claimed violation involved in the grievance constituted a violation of this contract.

If the decision in this Step 3 is not appealed to arbitration or to a court as above provided, the grievance shall be considered settled on the basis of such decision and shall not be eligible for further appeal. 101

### 3. Union Grievance

The grievance procedure may be utilized by the Union in processing grievances which allege a violation of the obligations of the Company to the Union as such, which shall not include any grievance which claims any compensation or personal rights on behalf of any individual employee or group of employees. 102

In processing such grievances, the Union shall observe the specified time limits in appealing, and the Company shall observe the specified time limits in answering. 103

### 4. Suspension of Grievance Procedure

If the Agreement is in fact violated by the occurrence of a strike, work stoppage, slow-down, or interruption or impeding of work, the Company, at its option, may refuse to discuss or process any grievance while such violation continues, provided that the time limit for filing any grievance shall not be affected hereby. 104

### 5. Access to Facilities

The representative of the International Union who customarily handles grievances in Step 3 shall have access to the plant, subject to established rules of the plant, at reasonable times to investigate grievances in Step 3 with which he is concerned. 105

## F. Union Grievance Committee

The Union may designate grievance committee men, but no more than one (1) from each department. Assistant grievance committeemen may be designated, but there shall be no more than one (1) grievance committeeman or assistant on each turn in each seniority unit. Each grievance committeeman and assistant shall be an employee of the department which he represents. Any grievance committeeman or assistant shall, upon reasonable notice to and approval by his immediate supervisor, be afforded such minimum time off without pay as may be required for the purpose of investigating the facts essential to the settlement of a grievance or to participate in grievance meetings. A grievance committeeman or assistant shall be limited to the handling of grievances in procedural Steps 1 and 2 and discharge and suspension cases within the department represented by him.

106

## G. Company's Failure to Answer

In the absence of mutual agreement in writing between the Union and the Company to extend the Company's time to answer, and if a grievance is not answered by the Company within the specified time limit, or if processing of grievances is wrongfully suspended, the Local Union grievance committee in the first two (2) steps, and the third step representative of the Union in the third step, shall have the right to appeal to the next step or to declare the grievance granted at the Union's option. If the grievance has been declared granted by the Union, upon notification in writing to the Company, the Company shall comply therewith, but such settlement shall not constitute a precedent in any other case.

107

In order to invoke these provisions, the grievance must have been properly filed and served both upon the department representative and the Manager of Labor Relations or his representative. The signatures of the departmental representative and the Manager of Labor Relations or his

108

representative on the grievance shall validate the filing of the grievance and commence the running of the time limits.

**SECTION 7**  
**ARBITRATION**

A. When any grievance is properly appealed to arbitration in accordance with the provisions of this Agreement, the parties will attempt to agree on an arbitrator from a panel consisting of Don Hays, Harold Moore, Edward Bankston and Diane Massey. In the event that either Don Hays or Harold Moore cannot serve as a permanent member of the arbitration panel, then Norman Bennett shall be named to such panel. In the event either Edward Bankston or Diane Massey cannot serve as a permanent member of such arbitration panel, then Patrick Hardin shall be named as a member of the panel. It is agreed that, in any event, at all times the Company and the Union shall each have two designated members on such panel. 109

If the parties cannot mutually agree on the designation of an arbitrator from the said panel, one (1) name shall be drawn from all the names in such a manner as to leave the designation to chance, and chance alone. After an arbitrator's name has been drawn, and he has actually served, or will actually serve, his name will be omitted from the panel until the panel is reduced to one (1) by three (3) selections by chance, at which time the panel will be restored to the original four (4), and the process will be repeated. 110

The arbitrator shall be selected as stated above and notified of his appointment to hear the grievance within thirty (30) days from the date the grievance is appealed to arbitration. Any party failing to cooperate to observe the thirty (30) day time limit shall default on the grievance. 111

The arbitrator shall proceed to hear and determine the grievance, and the time and place of the hearing shall be fixed by agreement between the parties involved and the arbitrator. 112

The Company and the Union shall share equally 113  
the payment of the fees and expenses of the arbi-  
trator.

The decision of the arbitrator shall be 114  
final and binding and shall be rendered by the  
arbitrator within thirty (30) days from the date  
of the hearing. The arbitrator shall not have  
jurisdiction or authority to add to, detract from  
or alter in any way the provisions of this  
Agreement, and he shall not have authority to pass  
upon questions relating to his own jurisdiction.

In any proceeding seeking to require arbitra- 115  
tion or to enforce, modify or set aside a decision  
or award of the arbitrator, none of the provisions  
of this contract shall deprive a court of its  
power to determine questions of arbitrability, or  
the jurisdiction of the arbitrator, or the validi-  
ty of any decision or award of the arbitrator.

B. Arbitration awards may or may not be retro- 116  
active, as the equities of particular cases may  
demand, but no money or back pay shall be awarded  
to any employee for time during which the employee  
did not work except in suspension and discharge  
and seniority cases and cases involving vacation  
or holiday pay, and in order to receive an award  
of pay in all cases except those in which vacation  
or holiday pay is claimed, an employee must prove  
that he would have worked and received said pay  
but for the contract violation.

Actual earnings minus necessary and 117  
legitimate expenses and unemployment benefits  
which are paid to an employee, for the period for  
which back pay is awarded shall be deducted from  
such award.

The effective date for adjustment of griev- 118  
ances relating to:

1. Suspension and discharge cases or cases 119  
involving rates of pay for new or changed  
jobs, shall be determined in accordance with the

provisions of Sections 8 and 9, respectively, of the Agreement;

2. Seniority cases shall be the date the em- 120

ployee notified his supervisor that he is entitled to the job under the provisions of Section 12--Seniority, or the date of filing a written grievance in Step 1 of Section 6--Adjustment of Grievances, whichever is earlier;

3. Rates of pay (other than new or changed 121 jobs), overtime, allowed time and vacations shall be the date of the occurrence or non-occurrence of the event upon which the grievance is based.

The effective date for adjustment of 122 grievances involving matters other than those referred to in Paragraphs 1, 2, and 3 above shall be no earlier than the date the grievance was first presented in written form in Step 1 of Section 6-- Adjustment of Grievances. All grievances resulting in payment of money by settlement, or award, shall be paid as promptly as possible.

C. If this Agreement is violated by the occur- 123  
rence of a strike, work stoppage, slowdown, or interruption or impeding of work, the arbitrator, if so directed by the Company, shall refuse to consider or decide any cases concerning the Union or employees involved in such violations as described in this paragraph while such is continuing.

D. The right of any party to process a grievance 124  
to arbitration is dependent upon the contract being in full force and effect.

**SECTION B**  
**DISCHARGE AND SUSPENSION CASES**

Within ten (10) days, excluding Saturdays, 125  
Sundays and holidays, of the imposition of any disciplinary penalty by the Company, the employee who is disciplined, if he believes he has been unjustly dealt with, may request in writing a hearing and statement of the offense. Such hearing shall be held before his manager or such other representative designated by the Company from time to time. The employee may have his Union representative present at the hearing if he chooses, and both parties shall have the right to call witnesses and introduce evidence. The hearing must be held and the Company's decision made within ten (10) days, excluding Saturdays, Sundays and holidays, after the written request for the hearing. If no hearing is requested within the time herein specified, the disciplinary action taken by the Company shall become final.

At any such hearing, the facts concerning the 126  
case shall be made available to both parties. After such hearing, if the same is held, the Company may affirm, revoke or modify the disciplinary penalty. If the discharge or suspension is revoked, the employee shall be returned to employment and receive full compensation at his regular rate of pay for the time lost, subject to credits provided in Section 7, except actual earnings, unless it is agreed by the parties hereto that such employee shall be disciplined without pay as a condition of such revocation. If the Company's decision is not satisfactory, the Union shall have the right to appeal, in writing, within five (5) working days such decision to a review of the facts of the case by the Manager of Labor Relations and the International Staff Representative, and/or Chairman, Union Grievance Committee. Such review shall be held as promptly as is practical at a mutually agreed to time.

After such review, if either party desires to 127

have another hearing to investigate the case further, such rehearing shall be set at a mutually agreed to time in order to have necessary witnesses present.

If after such review or rehearing, the Company's decision is not satisfactory, the International Union Representative shall have the right to appeal the Company's action to arbitration by request in writing filed with the Company within ten (10) days after the Company's decision on review or rehearing. 129

In exercising its disciplinary power to suspend, the Company agrees that no employee shall be suspended without pay for a period of over thirty (30) working days for any one (1) offense. 129

In arbitration, neither party shall be limited to the evidence presented at the hearing. The arbitrator may, if he finds that there was not just cause for a discharge, order the employee reinstated with full compensation, partial compensation or no compensation. In a suspension case, the arbitrator shall have authority to modify the period of suspension only in cases of suspensions exceeding ten (10) working days in length; in suspensions of ten (10) working days or less, the arbitrator may determine only whether there was just cause for suspension. 130

The arbitrator shall not have the power to pass upon his own jurisdiction or authority, but the award shall be final and binding within the limits of his authority. The procedure herein set out as applicable to disciplinary cases is exclusive, and the procedure in such cases shall not be governed by Section 6 or Section 7, except that the arbitrator shall be selected in the manner specified in Section 7 and the credits specified in Section 7, except actual earnings, shall apply to any award of back pay. 131

The Company shall notify the Union of suspensions or discharges by mailing a copy of each notice to the Local Union, Post Office Box 0127, Lone Star, Texas 75668, as soon as possible. 132

SECTION 9  
RATES OF PAY

A. Standard Hourly Wage Scale

Effective on the dates specified below, the 133 standard hourly wage scale for the respective job classes shall be as follows, except clean-up laborer pay.

Job Class	EFFECTIVE DATE		
	2005	2006	2007
1-2	\$13.762	\$14.175	\$14.600
3	14.015	14.436	14.869
4	14.269	14.697	15.138
5	14.522	14.958	15.406
6	14.956	15.404	15.866
7	15.390	15.852	16.328
8	15.824	16.299	16.788
9	16.259	16.746	17.249
10	16.656	17.156	17.670
11	17.055	17.566	18.093
12	17.452	17.976	18.515
13	17.850	18.385	18.937
14	18.249	18.796	19.360
15	18.646	19.205	19.782
16	19.045	19.616	20.205
17	19.442	20.026	20.626
18	19.841	20.436	21.049
19	20.238	20.846	21.471
20	20.636	21.255	21.893
21	21.035	21.666	22.316
22	21.432	22.075	22.737
23	21.831	22.486	23.160
24	22.228	22.895	23.582
25	22.626	23.305	24.004
26	23.025	23.715	24.427
27	23.422	24.125	24.849
28	23.821	24.535	25.271
29	24.218	24.945	25.693
30	24.617	25.356	26.116
31	25.015	25.765	26.538
32	25.412	26.175	26.960

## B. Profit Sharing Payments

All employees shall participate in a Profit Sharing Plan as agreed to by the Company and the Union effective with the contract dated July 18, 2005, and starting with the third quarter 2005. The current Company voluntary profit sharing plan will be discontinued for hourly employees effective July 18, 2005. 134

## C. Clean-up Laborer Pay

Employees hired as clean-up laborer will be paid \$3.00 per hour less than the regular rate of pay for Job Class 1-2 as specified in A. above. 135

## D. Shift Differentials

1. For hours worked on the "C" or afternoon shift, there shall be paid a premium rate of 25 cents per hour. For hours worked on the "A" or night shift, there shall be paid a premium rate of 35 cents per hour. 136

2. For purposes of applying the aforesaid shift differentials, the "A" shift will be an eight hour period which may begin any time between 10 p.m. and midnight, the "B" shift will be an eight hour period which may begin any time between 6 a.m. and 8 a.m. and the "C" shift will be an eight hour period which may begin any time between 2 p.m. and 4 p.m. For work performed before or after the established eight hour shift an employee will be paid the applicable shift differential, if any. 137

3. The premium rate for shift differentials shall not be applied as, or considered a part of, the employee's basic applicable rate. 138

4. Shift differential shall be paid for allowed time, or reporting time, when the hours for which payment is made would have called for a shift differential, if worked. 139

3. Shift differential shall be included 140

in the calculation of overtime compensation. Shift differential shall not be added to the base hourly rate for the purpose of calculating incentive, gain sharing or profit sharing earnings, but shall be computed by multiplying the hours worked by the applicable differential and the amount so determined added to earnings.

#### E. Sunday Premium Pay

1. Premium pay shall be paid for all hours worked by an employee on Sunday at a rate of one and one-quarter (1 1/4) times the regular rate of pay. This premium for each hour worked on Sunday will be paid even though an employee may also be entitled to the overtime rate of pay for the same hours worked on Sunday if the provisions of Section 10-F, Overtime - Holidays are satisfied. 141

2. For the purpose of this provision, Sunday shall be deemed to be the twenty-four (24) hours beginning with the turn-changing hour nearest to 12:01 a.m., Sunday. 142

3. Sunday premium pay and the standard hourly wage rate shall be paid for reporting allowance hours. 143

#### F. Wage Incentive and/or Gainsharing

The Company, at its discretion, may establish wage incentive, and gainsharing plans (hereinafter referred to as "plan" or "plans") to provide additional compensation above the standard hourly rates established in Subsection A of this Section for improvements outlined in a specific plan such as quality, safety, manpower, material yield, production, supply usage, profits, etc. 144

The Company may adjust any such existing plan or plans, or if necessary, may establish new plans to replace existing plans when they believe revisions, or replacement, are needed because of new or changed conditions resulting from improvements made in the interest of improved methods and/or products and/or from changes in equipment, manufacturing processes and/or methods, materials 145

process-ed, and/or quality and/or manufacturing standards or in response to changes in law, corporate structure or policy.

Such new or changed plans shall be 146 established in accordance with the following procedure.

1. Management will develop the proposed new 147 or changed plan.

2. The proposal will then be submitted to 148 representatives designated by the Union representing the employees affected for the purpose of explaining the proposal. Management shall, at such time, furnish such explanation with regard to the development of the plan or new or changed plan as shall be reasonably required in order to enable the Union representative to understand how such plan was developed and shall afford to such Union representatives a reasonable opportunity to be heard with regard to the proposed plan or changed plan.

3. The proposal plan may be installed when 149 Management is satisfied that reasonable explanations and discussions have taken place as required in 2 above.

4. No question relating to the installation, 150 adjustment, change or revision of plans shall be arbitrable under this agreement.

5. The Company reserves the right not to 151 implement any such plan or plans.

#### G. Job Assignment

When an employee is assigned and performs the 152 duties of a higher job, he shall receive the rate of such higher rated job. When an employee is demoted or is temporarily assigned to a lower rated job, he shall receive the rate of such lower job except that he shall be entitled to his regular rate for the balance of the shift.

The Company will not assign an employee to a job other than a scheduled job or a job he occupies as of right because of a temporary vacancy, as the case may be, if his own job is assigned to another employee to perform while he is so reassigned; provided, however, that this restriction does not apply to the reassignment of an employee to another job in the same job class box. In the case of a job within the same job class box the Company retains its right of assignment. Normally, the Company will exercise its right to reassign within a box so as to leave employees on the jobs scheduled for the week so far as practicable. 153

#### H. Injury Pay

If an employee, while engaged in work for which he was regularly scheduled, shall be injured and the Company Medical Representative shall determine that he is not physically fit to continue to perform such work, he shall be paid for the remaining hours of his regularly scheduled workday at his established rate of pay for such work and in no case less than eight (8) hours pay for his regularly scheduled workday. 154

#### I. Pay Periods and Pay Days

All employees shall have their earnings computed and shall be paid on a bi-weekly basis. Pay shall be made available to employees not later than ten (10) days after the close of each pay period and shall not be paid on Saturday, Sunday or a holiday. 155

#### J. Description and Classification of New or Changed Jobs

It is understood that the agreed job descriptions shall serve only as the basis from which to classify the jobs, and not to support a claim of improper work assignment. The right of the Company to assign work shall not be limited by the fact that the particular work is not in the job description of the employee to which it is. 156

assigned or by the fact that the particular work is in the job description of another.

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 (1) full job class or more; (2) the job is terminated; (3) the description and classification are changed in accordance with mutual agreement of officially designated representatives of the Company and the Union. 157

When and if, from time to time, the Company at its discretion establishes a new job or change the job content (requirements of the job as to training, skill, responsibility, effort and working conditions) of an existing job to the extent of one (1) 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: 158

1. Management will develop a description and classification of the job in accordance with Articles III, IV and V of the Wage Rate Inequities Agreement dated June 1, 1996. 159

2. The proposed description and classification will be submitted to the Union Job Classification Committee, who shall review the job classification promptly and arrange, from time to time, to confer with the Management Committee for the final review and approval of the job description and classification as outlined hereafter. During such joint reviews, the two (2) committees may each select one (1) departmental representative to participate in the job description and classification review of the respective department. 160

3. The Union will establish a Union Job Classification Committee to be composed of not more than three (3) of the plant employees 161

designated as representatives of the Union.

4. The Company will establish a Job Classification Committee to be composed of not more than three (3) representatives of Management designated by the Company. 162

5. If the job description and classification is correct as originally submitted: 163

a. Both copies will be stamped in the approved manner and signed by the Chairman of the Union Committee and the Chairman of the Management Committee. 164

b. The Union copy will be retained by the Chairman of the Union Committee. 165

c. The Management copy will be retained by the Chairman of the Company Committee. 166

6. If the job description and classification is not correct as originally submitted, the two (2) committees will endeavor to agree as to mutually satisfactory correctives. 167

If agreement is reached, revised copies of the job description and classification will be supplied by the Company to replace the original copies and the same procedure outlined in Paragraph 5 above for the approval and distribution of the new copies will be carried out. 168

7. If agreement is not reached by the two (2) committees: 169

a. The points of difference will be noted on both copies. 170

b. Management shall install the proposed description and classification and the standard hourly wage rate for the class to which the job is thus assigned. The employees affected may at any time within thirty (30) days file a grievance alleging that the job is improperly classified under the job description and classification program 171

agreed between the parties hereto. Such grievance shall be processed under the grievance and arbitration procedure of this Agreement and settled in accordance with the job description and classification provisions of this Agreement. If the grievance is submitted to the arbitration procedure, the factor to be arbitrated and the evaluation placed upon those factors by the Union and the Company shall be made known to each other; and the jurisdiction of the arbitrator is limited to those factors in dispute. His decision shall be effective as of the date when the disputed job description and classification was put into effect.

8. Each approved job description shall be stamped in the lower right-hand corner and the signature of the authorized parties shall indicate approval. 172

This approval stamp is to contain the following particulars: 173

Reviewed and Approved by:	
_____	_____
Union Signature and Title	Date
_____	_____
Company Signature	Date
Union Copy <input type="checkbox"/>	<input type="checkbox"/> Company Copy

9. In addition to the provisions of the 174  
basic labor agreement in effect, but without  
prejudice to the rights of the employees involved  
or the Company with respect to the description and  
classification of jobs under such agreement, the  
following procedures are set forth to aid the  
Company and the Union to keep accurate records  
regarding the jobs which have been described and  
classified:

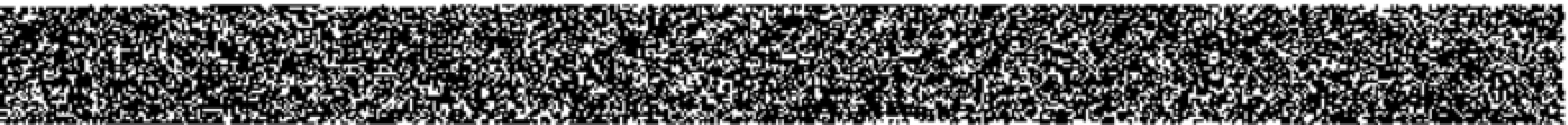
a. When Management changes a job, but 175  
the job content change is less than one (1) full  
job class, a supplementary record shall be  
established to maintain the job description and  
classification on a current basis and to enable  
subsequent adjustment of the job description and  
classification for an accumulation of small job  
content changes as follows:

(1) Management shall prepare, on the 176  
form set forth as Exhibit G below, a record of the  
change involved, such record to become a supple-  
ment to the job description and classification and  
be transmitted to the appropriate Union  
representative through the procedure of this  
contract. This record shall contain statements of  
the additions to or deletions from the job  
description, the factor classifications in effect  
before the job was changed, the proposed new  
factor classifications and the net total change.

(2) When and if an accumulation of 177  
such fractional job content changes equals one (1)  
full job class or more, a new job description and  
classification for the job shall be established in  
accordance with this contract.

b. When Management terminates a job, a 178  
record as to cancellation of the applicable job  
description and classification shall be  
established as follows:

(1) Management shall prepare, on the 179  
form set forth as Exhibit G below, a record of the  
cancelled job description and classification. This  
record shall contain identification of the job,



**OFFICE OF JOB DESCRIPTION  
AND CLASSIFICATION CHANGE**

Company \_\_\_\_\_

Department \_\_\_\_\_ Standard Code \_\_\_\_\_

Subdivision \_\_\_\_\_ Standard Title \_\_\_\_\_

Plant \_\_\_\_\_ Plant Title \_\_\_\_\_

Date \_\_\_\_\_ Plant Code \_\_\_\_\_

**DESCRIPTIVE CHANGES:**

**CLASSIFICATION CHANGE**

Factors	1	2	3	4	5	6	7	8	9	10	11	12	Net Change
Effective Classifi- cation													
Changed Classifi- cation													

**EXHIBIT G**

## K. Jury Pay

An employee called for jury duty shall, for each day of jury service on scheduled work day, receive his standard hourly wage rate for hours lost due to such service, but not to exceed eight (8) hours in addition to the pay received by him for jury service. The employee shall verify his service on a jury by having the clerk of the Court execute a Company form obtained by the employee from the department manager or from the Payroll Department.

184

## L. Bereavement Pay

Upon proof of kinship by the employee, when death occurs to an employee's legal spouse or his/her children, mother, father, mother-in-law, father-in-law, son-in-law, daughter-in-law, spouses' grandparents, son, daughter, brother, sister, grandparents, or grandchildren, an employee, upon request, will be excused for up to a maximum of three (3) scheduled shifts (or for such fewer shifts as the employee may be absent) which fall within a three (3) consecutive calendar day period; provided, however, that one such calendar day shall be the day of the funeral/memorial service, and the employee must actually attend the funeral/memorial service to be excused. When it is established by the employee that he attended the funeral/memorial service, an employee excused hereunder shall, for each day of funeral/memorial service leave taken on a scheduled workday, receive his standard hourly wage rate for hours lost due to such funeral/memorial service leave, but not to exceed eight (8) hours per day for each scheduled workday lost. An employee will not receive funeral/memorial service 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.

185

**SECTION 10**  
**HOURS OF WORK**

**A. Scope**

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. This section shall not be considered as any basis for the calculation of payment of overtime which is covered solely by Section 10-F, Overtime--Holidays. 186

**B. Normal Workday**

The normal workday shall be eight (8) hours of work in a twenty-four (24) hour period. The hours of work shall be consecutive except when an unpaid lunch period is provided in accordance with prevailing practices. 187

**C. Normal Work Pattern**

1. The normal work pattern shall be five (5) consecutive workdays beginning on the first day of any seven (7)-consecutive-day period. The seven (7)-consecutive-day period is a period of one hundred and sixty-eight (168) consecutive hours and may begin on any day of the calendar week and extend into the next calendar week. On shift changes, the one hundred and sixty-eight (168) consecutive hours may become one hundred and fifty-two (152) consecutive hours depending upon the changes in the shift. 188

2. A work pattern of less or more than five (5) workdays in the seven (7)-consecutive-day period shall not be considered as deviating from the normal work pattern provided the workdays are consecutive. 189

**D. Schedules**

1. All employees shall be scheduled on the basis of the normal work pattern except where: (a) such schedules regularly would require the payment 190

of overtime; (b) deviations from the normal work pattern are necessary because of power demands, customer orders and requirements, breakdowns or other matters beyond the control of Management; or (c) schedules deviating from the normal work pattern are established by agreement between Plant management and the Chairman of the grievance committee and the department grievance committee.

2. Schedules showing employees' work days shall be posted or otherwise made known to employees in accordance with prevailing practices but not later than Friday of the week preceding the calendar week in which the schedule becomes effective unless otherwise provided by local agreement, provided that if a schedule is posted after Thursday, any employee affected thereby who is not scheduled to work on Friday and Saturday of that week shall be notified of the schedule. In case of a Thursday posting, the Company will attempt to notify any employee affected thereby who has completed his work week prior to the posting, by telephoning the employee at a telephone number he provided to the Company. Any employee not contacted prior to 4:00 p.m. Saturday shall call the designated plant number to attempt to obtain his schedule. The employee's failure to call shall not result in a penalty to the employee or the Company. 191

3. Schedules may be changed by Management at any time except when by local agreement schedules are not to be changed in the absence of mutual agreement; provided, however, that any changes made after Friday 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 Friday except for power demands, customer orders and requirements, breakdowns or other matters beyond the control of Management. 192

4. Any employee whose schedule is changed contrary to the provisions of Paragraph 3 above so 193

contrary to the provisions of Paragraph 3 above so as to change his work days or his days off will receive four (4) hours regular pay. It is understood, however, that for the purposes of this Paragraph 4 the following does not constitute a schedule change:

- a. A change of reporting time (shift) within the posted scheduled day. 194
- b. Adding a work day to a posted schedule. 195
- c. Deleting a work day from a posted schedule. 196

5. Should changes be made in schedules contrary to the provisions of Paragraph 3 above so that an employee is laid off on any day within the five (5) scheduled days and is required to work on what otherwise would have been the sixth (6th) or seventh (7th) day in the schedule on which he was scheduled to commence work, the employee shall be paid for such sixth (6th) or seventh (7th) day worked at overtime rates in accordance with Section 10-F, Overtime--Holidays. 197

#### E. 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 for which he is qualified, provided he is not paid less than the rate for the job for which he reports. In the event when he reports for work no work is available, he shall be released from duty and credited with a reporting allowance of four (4) times the standard hourly wage rate of the job for which he was scheduled or notified to report, or, on a holiday, four (4) times the holiday rate of pay for hours worked on a holiday (4 x 1) in addition to the normal holiday pay for holidays not worked. 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 accor- 198

dance with Section 9--Rates of Pay and credited with a reporting allowance equal to the standard hourly wage rate of the job for which he was scheduled or notified to report multiplied by the unutilized portion of the four (4) hour minimum. Unless he is notified prior to the end of his previous work shift, an employee who is called to report prior to his next scheduled hour of reporting will receive at least four (4) hours of pay.

2. The provisions of this Subsection E shall 199  
not apply in the event that:

(a) Strikes, work stoppages in con- 200  
nection with labor disputes, failure of utilities beyond the control of management or acts of God interfere with work being provided; or

(b) An employee is not put to work or is 201  
laid off after having been put to work, either at his own request or due to his own fault; or

(c) An employee refused to accept an as- 202  
signment or reassignment within the first four (4) hours as provided in Paragraph 1 above; or

(d) Management gives reasonable notice 203  
of a change in scheduled reporting time or that an employee need not report. For the purposes of this Subsection reasonable notice shall be contact of the employee or some responsible person at the employee's telephone contact number before he leaves for work.

3. If an employee is called out and begins to 204  
work no later than one hour after the beginning of the shift and works for the balance of the shift, he shall be paid for the entire shift.

#### F. Overtime--Holidays

1. This section shall not be construed as a 205  
guarantee of hours of work per day or per week, or a guarantee of days of work per week.

#### 2. Definition of Terms

- (a) The payroll week shall consist of seven (7) consecutive days beginning at 12:01 a.m., Sunday or at a turn-changing hour nearest to that time. 206
- (b) The workday for the purpose of this Section is the twenty-four (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. 207
- (c) The regular rate of pay, as the term is used in Subsection 3 below, shall mean the hourly rate which the employee would have received for the work had it been performed during non-overtime hours. 208
3. Conditions under which overtime rates shall be paid: 209
- (a) Overtime at the rate of one and one-half (1 1/2) times the regular rate of pay shall be paid for: 210
- (1) Hours worked in excess of eight (8) hours in a workday; 211
- (2) Hours worked in excess of forty (40) hours in a payroll week; 212
- (3) Hours worked on the sixth (6th) or seventh (7th) workday in a payroll week during which work was performed on five (5) other work-days; 213
- (4) Hours worked on the sixth (6th) or seventh (7th) workday of a seven (7)-consecutive-day period during which the first five (5) days were worked, whether or not all of such days fall within the same payroll week, except when worked pursuant to schedules mutually agreed to as provided for in Subsection D of Section 10--Hours of Work; provided, however, that no overtime will be due under such circumstances unless the employee shall notify his foreman in writing on forms furnished by the Company of a claim for overtime 214

within a period of ten (10) days, excluding Saturdays, Sundays and holidays, after such sixth (6th) or seventh (7th) day is worked; and provided further that on shift changes the seven (7)-consecutive-day period of one hundred and sixty-eight (168) consecutive hours may become one hundred and fifty-two (152) consecutive hours depending upon the change in shift;

(5) Hours worked in excess of 120 per two-week pay period and hours worked on the seventh (7<sup>th</sup>) work day in a payroll week will be paid at 2.0 times the hourly rate (1.5 overtime plus 0.5 penalty). 215

(6) Hours worked under the condition specified in Subsection D-5 of Section 10-Hours of Work. 216

(b) For all hours worked by an employee on any of the holidays specified below, premium pay shall be paid at the rate of two and one-half (2 1/2) times his regular rate of pay. 217

The holidays specified are January 1, Good Friday, Memorial Day, July 4, Labor Day, Thanksgiving Day, the day after Thanksgiving, the day before Christmas and Christmas Day. If Christmas falls on Monday, the following Tuesday shall be recognized as the "day before Christmas" holiday. The holiday shall be the twenty-four (24) hour period beginning at the turn-changing hour nearest 12:01 a.m. of the holiday. If the calendar holiday is on Sunday, for the purpose of this Agreement, the holiday shall be the following Monday. 218

#### G. Pay for Holidays Not Worked

1. Effective as of the date of this Agreement, an eligible employee who does not work on a holiday listed in Subsection 3 (b) above shall be paid eight (8) times his average straight time hourly rate of earnings. 219

2. As used in this Subsection, an eligible 220  
employee is one who has completed 240 hours of  
work since his last hire; and (a) has performed  
work in at least two (2) work days in the payroll  
week in which the holiday occurred, or (b) received  
at least twenty-four (24) hours allowed time in  
the payroll week in which the holiday occurred, or  
(c) a combination of (a) and (b) which totals  
twenty-four (24) hours. Provided however, if the  
Company schedules a temporary shut down, requiring  
mandatory vacation, during a week when a holiday  
occurs, eligible employees who do not have sufficient  
unused vacation time to be required to take  
a vacation pursuant to Subsection C of Section 11  
shall be paid for the unworked holiday.

3. When a holiday occurs during an eligible 221  
employee's scheduled vacation, he shall be paid  
for the unworked holiday in addition to his vacation  
pay.

4. If an eligible employee performs work on 222  
a holiday, but works less than eight (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 eight (8).

#### H. Nonduplication

Payment of overtime rates shall not be duplicated 223  
for the same hours worked, but the higher of  
the applicable rates shall be used. Hours compensated  
for at overtime rates shall not be counted  
further for any purpose in determining overtime  
liability under the same or any other provisions  
provided, however, that hours worked on a holiday  
shall be counted for the purpose of computing  
overtime liability under Subsection F 3 (a) (1), 3  
(a) (3), 3 (a) (4), 3 (a) (5), and 3 (a) (6) above.

Hours paid for but not worked shall not be 224  
counted in determining overtime liability.

## I. Distribution of Overtime

In order to promote the distribution of over- 225  
time on as fair and equitable basis as is practi-  
cable, the Company agrees that overtime worked  
shall be posted in the various departments every  
sixty (60) days and a copy furnished to the Union  
President. Inequalities including overtime refused  
shall be adjusted by the Company as opportunity  
offers between employees in the same job titles  
and departments. However, the remedy for  
assignment of overtime outside the job title shall  
not be the award of back pay.

By local working condition the parties may 226  
otherwise provide for the distribution of overtime  
in the various departments.

**SECTION 11**  
**VACATIONS**

**A. Eligibility**

1. Employees will be eligible for vacations 227  
on January 1 of each year, if otherwise qualified,  
provided the employee worked or was on vacation in  
50% of the pay periods during the preceding calendar  
year.

2. Continuous service shall date from the 228  
date of first employment by the Company (but not  
earlier than March 16, 1944), or subsequent date  
of employment following a break in continuous service,  
whichever date is later.

**B. Length of Vacation**

1. Vacation benefits for eligible employees 229  
are as follows.

<u>Employee's</u> <u>Continuous Service</u>	<u>Length</u> <u>of Vacation</u>
1 year but less than 3	1 week
3 years but less than 10	2 weeks
10 years but less than 17	3 weeks
17 years but less than 25	4 weeks
25 years or more	5 weeks

2. A week's vacation shall consist of seven 230  
(7) consecutive days, a two (2) weeks' vacation  
shall consist of fourteen (14) consecutive days, a  
three (3) weeks' vacation shall consist of twenty-  
one (21) consecutive days, a four (4) weeks' vaca-  
tion shall consist of twenty-eight (28) consecu-  
tive days, and a five (5) weeks' vacation shall  
consist of thirty-five (35) consecutive days.

3. Holidays falling within a vacation period 231  
are to be counted as vacation days, and are not  
additional to the vacation period.

4. Vacations may not be postponed from one (1) calendar year to another. An employee may be offered vacation pay in lieu of a vacation. 232

### C. Scheduling of Vacations

Each employee eligible for a vacation shall request his vacation period promptly after December 1. Vacations will, so far as practicable, be granted at times most desired by employees (longer departmental 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 orderly operation of the plant. The parties may, by local working conditions, otherwise provide for the scheduling of vacations and for preferences in the various departments. 233

The Company may declare a temporary shut down of operations at least thirty (30) days in advance of shutdown before requiring mandatory vacation and all employees having unused vacation time can be required to take vacation during that period of time as provided in the table below; provided, however, that if unforeseen circumstances make such notification impossible, the Company shall give as much notice as practical under the circumstances. 234

<u>Eligible Weeks</u>	<u>Mandatory Vac. Week(s)</u>
2	1
3	1
4	1
5	1

#### GUIDELINES FOR PARTIAL WEEK OF VACATION:

1) Vacations must have prior approval of the department. 2) Must give ten (10) days advance notice of vacation date requested unless an emergency or extenuating circumstance exists. 3) Must select which week of scheduled vacation remaining to be used. 4) The vacation week selected must be used for all vacation days. 5) Employees with only one (1) week plus a partial week of vacation time remaining shall be considered to be 235

two (2) weeks in the event of an outage requiring mandatory vacations. In the event mandatory vacations are required, the employee must take the whole week remaining. 5) Only one (1) additional approved person will be allowed to take vacation day(s) at any one time if the regular vacation schedule is filled. 7) Vacations granted will be in order of request, not by seniority, provided they do not affect the efficiency of operations. 8) No partial week vacations will be allowed beyond the first Saturday in December. 9) Vacation days remaining at the time the vacation was originally scheduled must be taken that week. 10) No advance pay for partial week vacations.

#### D. Vacation Pay

Each employee granted a vacation will be paid 236 at his average hourly rate of earnings in the preceding payroll year excluding add-on compensation for wage incentive, gainsharing and/or profit sharing, adjusting such average hourly rate to reflect intervening general wage changes. Hours of vacation pay for each vacation week shall be the average number of hours worked per week by the employee (but not less than forty [40] nor more than fifty-two [52]).

Vacation pay, if requested, will be made 237 available on any day other than Saturday, Sunday and holidays to an employee prior to the beginning of his vacation.

If an employee shall retire or die on or before 238 December 31 of any year in which he has worked or been on vacation at least 50% of the pay periods, he or his heirs (in the case of a deceased employee) shall receive the above vacation benefits.

## SECTION 12

### SENIORITY

#### A. Seniority Defined

Seniority, as used in this Agreement, shall 239  
be confined in its application to the employees of  
the Company, in the Lines of Progression as set  
out in this Agreement. For the purposes of this  
Agreement there shall be three types of Seniority.

##### 1. Line of Progression Seniority

Line of Progression Seniority is herein 240  
defined as the total length of continuous service  
in a specific Line of Progression since the first  
day of assignment by Lone Star Steel in that Line  
of Progression as a Regular Employee.

##### 2. Sequence Seniority

Sequence Seniority is herein defined as 241  
the total length of service in a specific Sequence  
within a specific Line of Progression since the  
first day of assignment by Lone Star Steel in the  
Sequence as a Regular Employee. Sequence Seniority  
rules for departments with Sequence Seniority are  
governed by Local Working Condition No. 14.

##### 3. Continuous Service Seniority

Continuous Service Seniority shall be 242  
calculated from the date of first employment (but  
not earlier than March 16, 1944) or re-employment  
following a break in continuous service.

#### B. Employees Defined

This Agreement covers two types of employees 243  
as follows.

1. Probationary Employee. A Probationary 244  
Employee is one hired with a view to filling a  
regular position, and one who, before being  
advanced to the status of a Regular Employee, must

serve for a period of 520 actual work hours during which his qualifications for the work can be determined.

Probationary employees may be transferred, laid off or discharged at the exclusive discretion of the Company. If accepted as Regular Employees, their seniority shall begin at the date of their original employment. 245

2. Regular Employee. A Regular Employee shall be one who is employed for the routine conduct of the Company's business, who works on production and maintenance, who has satisfactorily passed through the probationary period. 246

### C. Seniority List

A Seniority List showing the Line of Progression Seniority and Sequence Seniority of all Regular Employees covered by this Agreement has been prepared by the Company, and has been accepted by the parties as the official Seniority List under this Agreement. Revised copies of the Seniority List will be furnished to the Union quarterly. 247

From and after the date of this Agreement, all motor inspectors, motor room attendants, electrical technicians, electrician wiremen, electrician linemen, electrician armature winders, meter repairmen, instrument repairmen, electronic repairmen, millwrights, machinists, welders, blacksmiths, carpenters, painters, and pattern makers to include any others agreed to by the Company and the Union shall have their seniority calculated on a plant-wide basis and applied to the lines of progression where they exist. 248

No maintenance employee as listed above shall have the right to a particular place of work or shift, except as provided in Section 12-W of this Agreement, and the Company shall have the right to assign work to any such maintenance employee anywhere in the plant; however, those maintenance employees who formerly carried their seniority in an assigned maintenance seniority 249

unit shall be given preference by the Company in order of such former seniority for the purpose of scheduling men for regular maintenance in such employees' former assigned maintenance departments, which preference shall apply in case of layoffs and recalls. The term "regular maintenance work" as used herein means running (whistle call) and recurring preventive maintenance work which is necessary from week to week and which can accurately be predicted by Management. The Company shall have the exclusive right to determine from time to time the number of men who are necessary to be scheduled for regular maintenance work. In no case shall an employee be assigned to a particular department or work area as disciplinary action.

#### D. Lines of Progression

In all cases, Line of Progression Seniority 250 and Sequence Seniority if applicable shall be applied to established lines of progression. Employees shall be promoted, and demoted, in the established lines of progression. No employee shall bump between unconnected jobs in cases of promotion, demotion, increase of force or decrease of force.

All lines of progression agreed upon by the 251 Company and the Union shall continue in effect unless changed as hereinafter provided.

1. New or changed lines of progression shall 252 be established in accordance with the following procedure. The new or changed line of progression will be prepared by Management and submitted to the Grievance Committeeman, who shall review the line of progression promptly and arrange from time to time to confer with the department manager concerned for final review and approval of the line of progression.

2. If the line of progression is correct as 253 originally submitted:

(a) Both copies will be stamped in 254

the approved manner and signed by the Grievance Committeeman, President of the Local Union, Department Manager and Company Representative.

(b) The Union copy will be retained by 255  
the President of the Local Union.

(c) The Management copy will be retained 256  
by the Manager of Industrial Engineering.

3. If agreement is not reached by the two 257  
committees:

Management shall install the proposed 258  
line of progression. The employee or employees  
affected may at any time within thirty (30) days  
file a grievance protesting the line of  
progression or the extent of change. Such  
grievance shall be processed under the grievance  
and arbitration procedure of this Agreement, and  
the arbitrator, in considering same, shall  
consider (1) current operating conditions and the  
Company's need for flexibility and change, and (2)  
whether the Company's action was unreasonable,  
with reference to the need for preservation of  
employee security and opportunity for promotion.

If a job is separated from a line of pro- 259  
gression and isolated without being connected with  
another line of progression, the Company will fill  
the job in accordance with the factors listed in  
Section 12, subject to any requirement that  
employees take and pass a test as a requirement to  
fill such job.

In the event of reduction of forces, Line 260  
of Progression Seniority and Sequence Seniority if  
applicable shall be applied as provided herein.

It is understood the Company has 261  
exclusive rights to determine if a temporary or  
permanent opening is to be filled.

#### E. Promotion

The method by which waivers may be executed 262

and revoked is as follows: If an employee in a line of progression does not desire to progress to the next higher job box in the line of progression, he may decline to do so only by signing and delivering to his foreman, at least five (5) days prior to the offer of the vacancy, a waiver of such higher job which waiver shall apply to all higher jobs and be irrevocable for eighteen (18) months and shall automatically renew itself and continue in effect for subsequent periods of eighteen (18) months unless the employee revokes the waiver in writing within fifteen (15) days prior to the expiration of such first or subsequent period of eighteen (18) months.

The following procedures will be applicable in connection with waivers: If at the level below the vacancy, there is no employee who has not waived promotion, the Company will draft the junior qualified employee who is below the vacancy to fill it, provided such employee does not have a physical limitation supported by an appropriate doctor's certificate. If such employee does have such physical limitations, the Company shall have the right to continue the draft in inverse order of seniority. 263

When promoting employees, consideration shall be given to Seniority and Fitness and Ability. When Fitness and Ability are relatively equal, Seniority shall govern. The determination of Fitness and Ability shall be the responsibility of the Company; provided that, in the event an employee feels that such determination has been unfairly made, he may present the complaint under the Grievance Procedure. 264

An employee when promoted shall always be paid at the prevailing rate for the Classification to which he is assigned. 265

## F. Transfers

### 1. Permanent Transfer 266

Prior to hiring a new employee or

transfer-ring an employee for an opening on a now existing line of progression entry level job, if the Company, in its opinion, decides to fill such opening, the Company shall transfer the most senior plant service employee who has specifically requested transfer to the line of progression in which the opening exists and who then possesses the necessary training and skills, which may include results of any aptitude and/or job related testing, ability and physical fitness to perform the work.

If no such qualified employee has requested transfer to a particular line of progression opening, the Company at its option may fill such opening as it sees fit. 267

Any opening shall be defined as an opening which in the opinion of the Company is going to be filled for more than thirty (30) working days and which results from a transfer, quit, death, retirement, discharge or an increase of forces. 268

Any employee requesting transfer must submit such request in writing on forms furnished by the Company to the Labor Relations Department at least ten (10) days prior to such opening existing. 269

No employee may request transfer before having attained at least one (1) year of service with the Company and has not transferred in the last twelve (12) months prior to filing a request for the transfer. No employee shall request transfer to more than two (2) seniority units (lines of progression) at any one time. 270

If an employee is transferred to another line of progression pursuant to these provisions or otherwise, either he or the Company may, within the first thirty (30) days of work by the employee, elect that he return to his former line of progression. In addition, he may, with the consent of the Company, return to his former line of progression during a period of six (6) months. If he returns, his seniority in his original line 271

of progression shall include the period worked in the new line of progression. Except for such right of return, such transferred employee's seniority in the line of progression shall commence on the date of his entry therein.

## 2. Temporary Transfer

If the Company elects to temporarily transfer an employee, he shall accept such transfer and his seniority shall continue to accrue in his regular line of Progression. A temporary transfer shall be understood to mean a transfer made by emergency, the inability of the Company to fill a necessary job or production requirements. 272

On temporary transfers, the employee will receive the rate of the job worked if higher than the scheduled job. 273

## G. Temporary Vacancies

A vacancy of thirty (30) calendar days or less (unless created by a five (5) consecutive week vacation) shall, if the Company decides to fill such vacancy, be filled by pushup in the line of progression by the regular schedule on the shift, provided that a qualified employee is available on the shift. If a qualified employee is not available on the shift for pushup and the Company cannot fill the job without overtime from within the line of progression, the Company will fill the vacancy by doubling over at the point of vacancy. A man shall be considered available for doubling when he is still in the work area. If the Company cannot fill a vacancy as provided above, it may fill the vacancy as it sees fit, provided that the Company will make a reasonable call out effort where practical, if the work is anticipated to be four (4) hours or more. 274

When it is known to the Company at the time a vacancy occurs that it will exceed thirty (30) calendar days, the Company, shall, to the greatest degree consistent with the efficiency of the 275

operations and the safety of the employees, assign the employee with the longest applicable service in the unit who possesses the necessary skills, fitness and ability to perform the work.

By "local working conditions" the parties may otherwise provide for the filling of temporary vacancies. 276

#### H. Decrease in Force

When it is necessary to curtail forces in a Line of Progression due to lack of work, changes brought about by technological developments or other reasons, consideration shall be given first to Sequence Seniority if applicable, Line of Progression Seniority, particular skills and abilities required to perform available work. 277

When particular skills and ability are relatively equal, Line of Progression Seniority shall govern. 278

Determination of particular skills and ability shall be the exclusive right and responsibility of the Company; provided that in the event an employee feels that such determination has been unfairly made, he may present a complaint under the Grievance Procedure. 279

In the event a decrease of work, other than decreases which may occur from day to day, results in a reduction to an average of thirty-two (32) hours per week for the employee in the seniority unit, 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 thirty-two (32) hours per week, the Management 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 280

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 thirty-two (32) hours per week. 281

When a reduction of forces or a reduction in hours is necessary, the Company will post the names of those employees affected forty-eight (48) hours prior to such reduction unless cancellation of orders, changes in customers' requirements, power demands, breakdowns, accidents or other emergency makes such notice impossible. 282

Employees affected by such reduction who have completed their work week prior to the posting shall be given reasonable notice of layoff by the Company. Reasonable notice shall be contact of the employee or some other responsible person at the employee's telephone contact number currently on file. 283

Any question, or grievance, arising from such reduction of forces or hours shall be presented within ten (10) days excluding Saturdays, Sundays and holidays, from the date of posting. This posting shall be made in the departments concerned. 284

#### I. Inequity in Hours

Notwithstanding any provision of the seniority section, no grievance shall be filed, and the Company shall not be liable for inequality in hours worked between a junior and senior employee on different shifts during a work week when a breakdown, change in customer requirements, variation of power demand or acts of God causes such inequality. 285

#### J. Fitness and Ability

In the measurement of necessary fitness and ability, principal consideration will be given to whether the employee (a) has the necessary phy- 286

sical qualifications to do the work, and (b) has had training and experience directly related to the job. Before the Company decides that an employee does not have the ability to perform the work such employee shall receive reasonable training and a reasonable trial period (not to exceed five (5) days unless extended by the Company) on the job in which the employee must demonstrate reasonable progress and proficiency. However, an employee who is medically restricted from performing one or more specific jobs may progress, provided there is a vacancy, to higher jobs connected by arrows to the restricted jobs if he has the seniority, ability, and physical fitness.

#### K. Termination of Seniority

The seniority of an employee shall terminate 287  
under any of the following conditions.

(1) When he quits. 288

(2) When he is discharged. 289

(3) When he is laid off for a period in ex- 290  
cess of twenty-four (24) consecutive months or for  
employees with fifteen (15) or more years of ser-  
vice laid off for a period in excess of thirty-six  
(36) consecutive months.

(4) Absence extending beyond the period of a 291  
leave of absence granted by the Company.

(5) When he is temporarily laid off and fails 292  
to return to work after recall as provided herein.

The following procedures of recall shall 293  
apply:

a) Notice of recall shall be made in 294  
either a telephone notification or by certified  
mail or both.

b) Actual receipt of certified mail, or 295  
a failure or refusal to accept certified mail,

shall constitute notice of recall.

c) The employee must confirm (by tele- 296  
phone or written notice) within 72 hours after  
notice of recall his intent to return to work.

d) The employee must actually report to 297  
work within nine (9) days after notice of recall.

(6) At such time as the Company issues a 298  
recall notice to an employee in layoff, a copy of  
this notice will be mailed to the Union at Post  
Office Box 0127, Lone Star, Texas 75660.

#### L. Employee Address

Employees are required to keep the Personnel 299  
Department of the Company advised at all times as  
to their current correct address and telephone  
number, which will be used in giving notice of  
recall.

#### M. Absenteeism

Any employee absent four (4) consecutive work 300  
days without notifying the Company and without a  
satisfactory excuse for such absence will be con-  
sidered to have voluntarily terminated his employ-  
ment and will be dropped from the payroll. If  
such employee is absent due to illness of five (5)  
or more consecutive work days, he must obtain a  
proper leave of absence as set forth in Section  
12-Q of the labor agreement, or he will be  
considered to have voluntarily terminated unless  
there are major mitigating circumstances.

#### N. Layoff Pool

Prior to hiring new employees, the Company 301  
shall recall employees who have been laid off  
except when (1) the skill, ability or physical  
fitness for a particular job is not available  
among employees in layoff status, or (2) in  
special cases, operating efficiency in the  
department where the vacancies exist would be

impaired by the inability of the Company to train employees for permanent job vacancies.

All employees in layoff status except employees with fifteen (15) years or more of continuous 302

service at time of layoff shall be listed in the layoff pool. Any employee with fifteen (15) years or more of continuous service at time of layoff upon a reduction of force in his department shall be placed in departmental layoff until such employee shall request in writing to be placed in the layoff pool. Any employee with fifteen (15) or more years of service must advise the Company immediately upon notification of layoff, or, if thereafter, at least five (5) days prior to the beginning of the payroll week that he desires to be placed in the layoff pool.

The Company agrees to call employees from the layoff pool to fill vacancies in different departments according to continuous plant service so far as practicable, giving consideration to (1) available and necessary skills and abilities, (2) the length of time available to fill the particular vacancy, and (3) the practicability of notifying and securing the senior man by the time he is needed. 303

If an employee in the layoff pool refuses to accept recall to a different department or fails to report for a job as instructed, the Company shall not be obligated to again offer him recall to any job not within his seniority unit during that period of layoff unless such failure results from his physical disability verified by a doctor's certificate. 304

If the Company has exhausted the layoff pool and cannot fill existing vacancies without hiring new employees, the Company shall have the right to recall employees who are in a layoff status in inverse order of seniority on a compulsory basis. Such failure to accept compulsory recall shall result in voluntary termination of employment, unless such failure results from his physical disability verified by a doctor's certificate. 305

The Company will notify the Union when proceeding under this section.

In order for employees to be selected in accordance with the third paragraph of this section for recall to jobs outside their seniority unit, they must be available as follows: (1) Employees who are receiving state unemployment benefits, or applicants thereof, must be available for work within twenty-four (24) hours of actual receipt of notification by the Company, or actual delivery of mailed notification to the address supplied by the employee. (2) Employees who are not being paid state unemployment benefits must be available for work within four (4) days of actual receipt of notification from the Company, or actual delivery of mailed notification to the address supplied by the employee. 306

The Company may assign any available employee from the layoff pool to a job while waiting for the employee properly recalled to report for work on such job. 307

No employee who is recalled to a different line of progression under this section will accrue seniority in such line of progression unless he is transferred to that line of progression. Promotions, demotions, or layoffs among two (2) or more such employees within one (1) line of progression will normally be based on their relative length of service in such line of progression unless management determines that operating efficiency would be materially hampered thereby. The Company shall have no duty to replace an employee who has been properly assigned to a vacancy hereunder with another employee of longer plant service who subsequently enters the layoff pool. 308

When an employee is working from the layoff pool in a line of progression in which he does not have seniority and a vacancy occurs in the line of progression in which he has seniority, which vacancy is expected to last no longer than two (2) scheduled work weeks, the Company, may as long as 309

he is working in such department, at its option, elect to fill such vacancy without recalling such employee. After the expiration of such two (2) scheduled work weeks the employee may elect to return to his own department.

Notwithstanding any other provision of this Section 12-N-Layoff Pool - if an employee is laid off due to the permanent shutdown of his department or to the discontinuance of a job or jobs in his department, in addition to the employee's right to be placed in the layoff pool, the Company will transfer him to a new line of progression at such time as a job exists to which recall rights to his regular department or seniority unit do not exist in some other employee, provided that such laid-off employee has the ability and physical fitness for such job and other related jobs in such line of progression. In case of such a transfer, the employee's seniority in the new line of progression shall commence on the date of the transfer. 310

#### O. Military Leave

Any employee who has been or is inducted into the Armed Forces of the United States or who has been or shall be required by law to enter into any other service of the United States shall, upon satisfactory completion of such service and presentation to the Company of the proper certificate thereof, be entitled to such rights or reinstatement and preservation of seniority rights as are now and may hereinafter be provided by Federal Law. 311

#### P. Military Replacements

It is agreed that the employment of individuals to replace employees entering the Armed Forces of the United States shall be on a temporary basis within the meaning of the Selective Training and Service Act of 1948, the amendments thereto, and all related laws. 312

## Q. Medical Leave of Absence

An employee shall be granted medical leave 313 without pay up to twelve (12) months upon the employee furnishing the personnel office of the Company an appropriate doctor's certificate setting forth the period of time needed for

recovery, which medical leave will be extended for an additional period of not to exceed eighteen (18) months or for employees with fifteen (15) or more years of service not to exceed twenty-four (24) months upon presentation of a further certificate from a doctor. Total continuous medical leave shall not be greater than thirty (30) months for employees with less than fifteen (15) years service and thirty-six (36) months for employees with fifteen (15) or more years service.

Should the Company find that an employee 314 cannot be returned to his old job because of physical incapacity to perform his former work or because of recurrence of his former illness by working in his former assignment, then by mutual agreement of the Company and the Union the said employee may be transferred to another job without loss of seniority if such a job opening exists. The Company will comply with the law in reference to the Americans with Disabilities Act, where applicable. If the employee's treating physician differs with the Company's finding that the employee cannot perform one or more of the essential functions of his former job, then the Company and the Union will meet and confer on a process to resolve the difference. If no resolution can be reached, the Union may seek arbitration to define a process to resolve the difference.

## R. Family Leave

The Company will comply with the regulations 315 governing the Family Leave Act.

## **S. General Leave of Absence**

When the requirements of the Company will permit, an employee may, in the sole discretion of the Company, upon his written request and for reasonable cause, be granted leave of absence without pay for a period not exceeding thirty (30) days.

316

## **T. Medical or General Leave of Absence**

An employee absent on medical or general leave, who without the consent of the Company, engages in any other employment, will be terminated.

317

## **U. Leave of Absence of Union Officers**

Upon adequate notice to the Company, leave of absence for the purpose of accepting positions with the International or Local Union shall be available to a reasonable number of employees, but not to exceed four (4) employees in the case of the Local Union. Leave of absence shall be for a period not in excess of three (3) years, and will be renewed for a further period. Continuous service shall not be broken by the leave of absence, but will continue to accrue, except when an employee accepts a position with the International Union, he will not continue to accrue service toward pension rights after one year with the International Union.

318

## **V. Supervisory Employees**

Employees promoted to positions excluded under the definition of "employee" in Section 2-Scope of Agreement - shall retain seniority rights, but shall not accumulate further seniority except when working as a temporary foreman (which work does not exceed 220 days during year one (1) of this agreement, 200 days during year two (2) of this agreement, and 180 days during the third year of this agreement when working in any year, starting

319

from the effective date of this contract). During any period when such employee working as a temporary foreman accumulates seniority in the bargaining unit, he shall have the right to return to his seniority unit in the bargaining unit at any time. If discharged during such period, he shall be entitled to invoke the grievance and arbitration procedure to the extent of protecting his job in the bargaining unit. Acceptance of such promotion to temporary foreman shall not deprive any employee of his usual statutory rights as an employee. The Company will mail monthly to the Union a list of persons and their working days as temporary foreman as herein provided.

It is recognized, however, that the selection of individuals to fill supervisory positions shall be determined exclusively by the Company. 320

#### W. Shift Preference

The manager in those departments which work non-rotating shifts, shall assign employees to shifts according to the preference of the senior men; providing, however, the scheduling of employees in this manner shall not adversely affect the efficient operations of the department. In no case shall an employee be assigned a particular shift as disciplinary action. 321

Any employee exercising shift preference will not be entitled to any overtime as a result of being rescheduled, unless payment is required under Federal Wage and Hour laws. 322

No employee can exercise shift preference in a period of less than ninety (90) days from the last date he exercised shift preference unless a permanent opening occurs, or unless it is agreeable with Management. 323

Any employee exercising shift preference must give the Company two weeks' advance notice in writing of his desire to exercise shift preference. 324

**SECTION 13**  
**SAFETY AND HEALTH**

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

The Company, in compliance with the Occupational Safety and Health Act of 1970, shall furnish to each employee employment and a place of employment free from recognized hazards that are causing or are likely to cause death or serious physical harm. Further, the Company shall comply with occupational safety and health standards promulgated under the Act. 325

The Company and the Union will cooperate in the continuing objective to eliminate accidents and health hazards. The Company shall continue to make reasonable provisions for the safety and health of its employees at the plant during the hours of their employment. 326

The Company will notify the President of the Local Union or his designated representative of any industrial accident that results in death of a member of the Bargaining Unit. Such notification shall be made promptly after notification is given to next of kin. 327

The Company, once each year, will provide the President of the Local Union, a copy of OSHA Form 200; Summary of Occupational Injuries and Illness, or its equivalent. 328

**B. Protective Devices, Wearing Apparel  
And Equipment**

Protective devices, wearing apparel and other equipment necessary to properly protect employees from injury shall be provided by the Company in accordance with practices now prevailing in the plant or as such practices may be improved from time to time by the Company. Goggles, gas masks, face shields, respirators, special purpose gloves, fire proof, water proof or acid proof protective clothing when necessary and required shall be provided by the Company without cost, except that the 329

Company may assess a fair charge to cover loss or willful destruction thereof by the employees. Where any such equipment or clothing is now provided, the present practice covering charge for loss or willful destruction by the employee shall continue. Proper heating and ventilating systems shall be installed where needed.

### C. Disputes

Any employee or group of employees who 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 first report such conditions to their immediate supervisor and then shall have the right to:

1. File a grievance in the third step of the grievance procedure for preferred handling in such procedure and arbitration; or

2. Relief from the job or jobs, without loss to their right to return to such job or jobs, and at Management's discretion, assignment to such other employment as may be available in the plant; provided, however, that no employee, other than communicating the facts relating to the safety of the job, shall take any steps to prevent another employee from working on the job. Should it be determined through the grievance procedure that an unsafe condition existed as claimed by the employee, the employee will be compensated for any time lost.

**SECTION 14**  
**SEVERANCE ALLOWANCE**

**A. Conditions of Allowance**

When, in the sole judgment of the Company, it 332  
decides to discontinue permanently a department of  
the plant or substantial portion thereof and  
termi-nate 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 12-  
Seniority - of this Agreement shall be entitled  
to a severance allowance in accordance with and  
subject to the following provisions. This Section,  
however, shall not apply in the event of permanent  
closing of the entire plant.

**B. Eligibility**

Such an employee to be eligible for a sever- 334  
ance allowance shall have accumulated three (3) or  
more years of continuous Company service subse-  
quent to July 22, 1947, as computed in accordance  
with Section 12 - Seniority - of this Agreement.

In lieu of severance allowance, the Company 335  
may offer an eligible employee a job, in the same  
job class for which he is qualified, in another  
department of the Company. The employee shall  
have the option of either accepting such new  
employment or requesting his severance allowance.

If an employee accepts such other employment, 336  
his continuous service record shall be deemed to  
have commenced as of the date of the transfer,  
except that for the purpose of severance pay under  
this section and for purposes of Section 11-Vaca-  
tions - his previous continuous service record  
shall be maintained and not be deemed to have been  
broken by transfer.

**C. Scale of Allowance**

An eligible individual shall receive severance allowance based upon the following weeks for the corresponding continuous Company service subsequent to July 22, 1947. 337

<u>Continuous Company Service</u>	<u>Weeks of Severance Allowance</u>
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 allowances as set forth in Section 11-Vacations. 338

#### E. Payment of Allowance

Payment shall be made in a lump sum at the time of termination. 339

#### F. Nonduplication of Allowance

Severance allowance shall not be duplicated for the same severance, whether the other obligation arises by reason of contract law or otherwise. 340

If an individual is, or shall become, entitled to any discharge, liquidation, severance or dismissal allowance, or payment of similar kind of 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 allowances to which the individual may be entitled under this 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. 341

**SECTION 15**  
**BENEFITS**

Of even date herewith the parties have executed two (2) contracts pertaining respectively to an insurance program and a pension program. The performance of said contracts is a material consideration to the Union in the execution of this collective bargaining contract. 342

**SECTION 16**  
**DATE OF TERMINATION**

The terms and conditions of this Agreement shall be effective July 18, 2005 and continue in effect until midnight July 31, 2008. Sixty (60) days prior to such date, either party may notify the other in writing of its desire to negotiate upon the terms and conditions of a new contract to be effective after termination of this Agreement, and thereupon the parties shall meet at reasonable time and engage in good faith collective bargaining. 343

Notices to be given under this Agreement shall be given by certified mail; be completed by and at the time of mailing, and if by the Company be addressed to the United Steel, Paper and Forestry, Rubber, Manufacturing Energy, Allied Industrial and Service Workers International Union, P.O. Box 9699, Houston, Texas 77213-0699, and if by the Union to the Company at Highway 259 South, Post Office Box 1000, Lone Star, Texas 75668-1000. 344

Either party may, by written notice, change the address to which certified mail notice to it shall be given. 345

In witness whereof the parties hereto have 346  
executed this Agreement.

UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING ENERGY, ALLIED INDUSTRIAL SERVICES  
WORKERS INTERNATIONAL UNION:

/s/ Leo W. Gerard  
/s/ Jim English  
/s/ Tom Conway  
/s/ Leon Lynch  
/s/ Terry Bonds  
/S/ John Patrick  
/S/ H. L. Thompson

LOCAL UNION NO. 4134:

/s/ Randy Dean  
/s/ Harold E. Collins  
/s/ James Doug Jacobs  
/s/ Joe W. Newsome  
/s/ A. Duane Beck  
/S/ Jason Collins  
/S/ Ellis J. Sustaire

LONE STAR STEEL COMPANY

/s/ W. Byron Dunn  
/s/ John R. Wittig  
/s/ John Shivers  
/s/ Dave Mitch  
/s/ Jerry J. Chapman  
/S/ Eddie L. Jones, Jr.  
/S/ Cloven Barnard

July 18, 2005

OVERPAYMENT OF TEMPORARY DISABILITY INCOME BENEFITS

Mr. H. L. Thompson  
USW International Representative  
District 12, Sub-District 3  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 9699  
Houston, TX 77213

Dear Mr. Thompson:

During the current negotiations, the Company has brought to the attention of the Union that some of our disabled employees have failed to reimburse the Company for the overpayment of Temporary Disability Income Benefits received by them. This occurs when the disabled employee receives Temporary Disability Income Benefits in excess of twenty-six (26) weeks after he/she has furnished to the Company written proof that he/she has applied for Disability Benefits under the Social Security Act, and is denied such benefits, but at a later date receives the Social Security benefits retroactively.

To alleviate this problem, the Union agrees to the following conditions:

1. An employee must sign an appropriate written promise to assign and repay such monies as might be advanced from his wages, accrued vacation benefits, pension benefits, Social Security benefits or any other related compensation payments in the event Social Security payments are made retroactive, and authorize the Company to deduct or withhold such monies from any sums due the employee.
2. If any such employee fails or refuses to honor his written promise voluntarily, the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union shall advise and strongly urge the default-

**Overpayment of Temporary Disability Income Benefits**

ing employee to promptly pay his just due debt. If such employee still refuses to honor such just debt, the Company may take such steps, including the withholding or deduction of such monies, as it deems necessary, to enforce the promise and assignment to pay made by the defaulting employee.

3. Either the Company or the Union can terminate this letter agreement in its entirety upon thirty (30) days written notice to the other.

Yours very truly,

LONE STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

**AGREED TO AND ACCEPTED:**

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION.

/s/ H. L. Thompson, UMW International Representative  
Local Union No. 4134

July 18, 2005

TEMPORARY DISABILITY INCOME BENEFITS

Mr. H. L. Thompson  
USW International Representative  
District 12, Sub-District 3  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 9699  
Houston, TX 77213

Dear Mr. Thompson:

During our current negotiations the Union has seriously urged that some disabled employees have had payment of their claims for Workers' Compensation Benefits delayed by doubts or dispute concerning coverage, and that the temporary disability income benefits provided by the Company are not paid during the period of delay.

To alleviate this problem the Company agrees, that, upon request by the employee, it will cause payment to be made of any temporary disability income benefits which are being delayed only by the pendency of the disputed Workers' Compensation claim subject to the following conditions:

1. The employee sign an appropriate written promise to assign and repay such money as might be so advanced from his wages, accrued vacation benefits, pension benefits, Social Security benefits or Workers' Compensation payments if it is later determined that the sickness or disability is compensable under the Workers' Compensation law. A form of such promise is attached hereto.
2. If any such employee fails or refuses to honor his written promise voluntarily, the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union shall advise and strongly urge the defaulting employee to promptly pay his just due debt. If

**Temporary Disability Income Benefits**

such employee still refuses to honor such just debt, the Company may take such steps, including the withholding or deduction of such monies, as it deems necessary to enforce the promise and assignment to pay made by the defaulting employee.

3. Either the Company or the Union can terminate this letter agreement in its entirety upon thirty (30) days written notice to the other.

Yours very truly,

LONE STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

**AGREED TO AND ACCEPTED:**

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION.

/s/ H. L. Thompson, USW International Representative  
Local Union No. 4134

July 18, 2005

VACATION SCHEDULING

Mr. J. Randy Dean, President  
Local Union No. 4134  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 0127  
Lone Star, TX 75668

Dear Mr. Dean:

Please be advised the Company designates the following period of time for vacation scheduling for 2005, 2006, 2007, 2008.

1. Scheduling of vacations for the calendar year 2005 shall be during the period January 2, 2005 through December 31, 2005.
2. Scheduling of vacations for the calendar year 2006 shall be during the period January 1, 2006 through January 6, 2007.
3. Scheduling of vacations for the calendar year 2007 shall be during the period January 7, 2007 through January 5, 2008.
4. Scheduling of vacations for the calendar year 2008 shall be during the period January 6, 2008 through January 3, 2009.

**Vacation Scheduling**

In the event the vacation allotment during the week of December 25, 2005 through December 31, 2005 is not filled by employees eligible for 2005 vacations, the Company will allow any remaining unfilled allotments to be filled by those employees eligible for their 2006 vacations by seniority.

The same principle as outlined in the preceding paragraph will apply during the vacation periods December 31, 2006 through January 6, 2007, December 30, 2007 through January 5, 2008.

Yours very truly,

LOVE STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

**AGREED TO AND ACCEPTED:**

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION.

/s/ J. Randy Dean, President  
Local Union No. 4134

July 19, 2005

SHIFT PREFERENCE -- WELDERS

Mr. J. Randy Dean, President  
Local Union No. 4134  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 0127  
Lone Star, TX 75668

Dear Mr. Dean:

Reference is made to shift preference for Welders plant wide.

The Company will consider any requests from employees of the Welding trade or craft unit who desire reassignment to another area of the plant in order to secure a desired shift.

The Company will attempt to reassign and honor such requests based on needs of the Company and just reason given by the employee for such change. However, the final right of assignment to a particular area remains with management.

You understand that this letter is written as evidence of the Company's good faith intentions, but is not contractual and will give rise to no legal rights or claims arbitrable or otherwise.

Yours very truly,  
LONE STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

AGREED TO AND ACCEPTED:  
UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION

/s/ J. Randy Dean, President  
Local Union No. 4134

July 18, 2005

LUNCH BREAKS

Mr. J. Randy Dean, President  
Local Union No. 4134  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 0127  
Lone Star, TX 75668

Dear Mr. Dean:

It is the Company's intent and purpose that, except in rare emergency situations, employees will have the time and opportunity to eat their lunches at some reasonable time during the work shift (normally the time will be the mid-three-hour period).

You understand, of course, that we cannot guarantee a particular time to be set aside for lunch breaks, and cannot ensure against emergency situations which may arise.

We hope that any complaints concerning this situation will be brought to my attention.

Yours very truly,  
LONE STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

AGREED TO AND ACCEPTED:  
UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION

/s/ J. Randy Dean, President  
Local Union No. 4134

July 18, 2005

COMPANY PHYSICALS

Mr. H. L. Thompson  
USW International Representative  
District 12, Sub-District 3  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 9699  
Houston, TX 77213

Dear Mr. Thompson:

The following understanding is hereby reached between the parties:

1. The Company shall have the option to schedule employees to take their physical examinations and eye and hearing tests either on the employees' scheduled work time or on a non-work time basis. It is not the intent of the Company to schedule all employees on a non-work time basis.
2. If an employee is required by the Company to take a physical examination on non-work time, the Company shall pay such employee one (1) hour allowed time pay at the standard hourly rate of Job Class 2 for the under 40 year age physical examination, and two (2) hours allowed time pay at the standard hourly rate for the 40 year and over physical examination. The provisions of this paragraph shall not apply to eye and hearing tests, and the Company shall have no obligation to pay any employee allowed time pay hereunder for eye and hearing tests if an employee is required by the Company to take such eye and hearing tests on a non-work basis.

Company Physicals

3. The Company may, at its sole option, discontinue the giving of physical examinations at any time.

Yours very truly,

LONE STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

AGREED TO AND ACCEPTED:

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION

/s/ Mr. B. L. Thompson, OSW International Representative  
Local Union No. 4134

July 18, 2005

PIT UTILITYMAN

Mr. J. Randy Dean, President  
Local Union No. 4134  
United Steel, Paper and Forestry, Rubber  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 0127  
Lone Star, TX 75668

Dear Mr. Dean:

It is understood and agreed that no employee working the job of Pit Utilityman may sign a waiver of promotion to the job of Soaking Pit Heater.

Yours very truly,

LONE STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

AGREED TO AND ACCEPTED:

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION

/s/ J. Randy Dean, President  
Local Union No. 4134

July 18, 2005

**JOB RETENTION PENDING SUSPENSION DETERMINATION**

Mr. H. L. Thompson  
USW International Representative  
District 12, Sub-District 3  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 9699  
Houston, TX 77213

Dear Mr. Thompson:

1. Nothing in this agreement shall restrict the Company's right to remove the charged employee for the balance of such employee's shift nor shall the Company be required to delay imposition of suspension where, because of exceptional and unusual circumstances, the Company has reasonable cause to believe that the employee's early return would endanger the safety of other employees or property.
2. Whenever an employee is charged with an offense for which the Company proposes a suspension period as penalty, the Company will not remove the charged employee from active work for three (3) calendar days (excluding Saturdays, Sundays, and holidays) following notice to the charged employee of proposed discipline; in the event the charged employee within such three-day period duly files with the Company a written protest of the discipline, then such employee will not be removed from active work until a final administrative determination has been made in the case.
3. For purposes of this agreement, the procedure and time limits will follow the applicable provisions of the collective bargaining agreement to the extent they are not in conflict herewith, except that the department level hearing and decision [provided in

## Job Retention Pending Suspension Determination

Section 8) shall occur within five (5) days (excluding Saturdays, Sundays, and holidays) after the protest of the discipline is filed; and the Union will have three (3) days to appeal the Company's departmental level decision. The administrative determination shall be final, to the extent that the Company may remove the charged employee from active work, when the Company's Director of Labor Relations (or his designated agent) has issued a written decision in the case following consultation with the Union's International Representative (or his designated agent). Further processing of the charged employee's grievance shall follow the applicable provisions of the collective bargaining agreement.

4. Notwithstanding anything herein to the contrary, the provisions of the collective bargaining agreement shall continue unaffected in any manner by this agreement as to all discharges and to all suspensions pursuant to Paragraph 1 above.
5. Either the Company or the Union may terminate this agreement in its entirety upon thirty (30) days written notice to the other.

Yours very truly,

LONE STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

AGREED TO AND ACCEPTED:

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION

/s/ H. L. Thompson, USW International Representative  
Local Union No. 4134

July 18, 2005

CONTRACTING OUT

Mr. J. Randy Dean, President  
Local Union No. 4134  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P.O. Box 0127  
Lone Star, TX 75668

Dear Mr. Dean:

The subject of contracting out work has again been a focus of discussion during collective bargaining negotiations. Both the Company and Union have expressed the seriousness of this issue.

The Company has, during the term of the previous collective bargaining agreement, demonstrated its sensitivity to the views of the Union by displacing certain outside contractors and performing work with bargaining unit employees.

We confirm again to the Union that the Company will not make any major changes in our past contracting practices without first discussing the situation with the Union. Of course we will continue to be willing to discuss the status of current outside contractors at our regular monthly joint Company, Union meetings.

Contracting Out

You understand that this letter is not contractual and gives rise to no legal claim, arbitrable or otherwise.

Yours very truly,

LONE STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

AGREED TO AND ACCEPTED:

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION

/s/ J. Randy Dean, President  
Local Union No. 413

July 18, 2005

**E. W. PIPE MILL FINISHING JOB PREFERENCE**

Mr. J. Randy Dean, President  
Local Union No. 4134  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 0127  
Lone Star, TX 75668

Dear Mr. Burks:

Reference is made to old Local Working Condition No. 21.

Please be advised that at the request of the Union resulting from combining the Casing/Line Pipe Finishing and Tube Finishing lines of progression into one (1) line of progression and combining the two seniority units into one, the Company agrees to accept from employees in the Finishing Seniority Unit a written request of preference not to be assigned to certain jobs within certain job block boxes as shown by the line of progression. It is the intent of the Company to honor such request unless such request affects employee schedules or the Company's ability to operate properly on a shift, and the preference shall be as follows:

The Company shall grant each employee regularly assigned to the

Pipe Processor Block III box, four (4) preferences,  
Pipe Processor Block II box, six (6) preferences and  
Pipe Processor Block I box, two (2) preferences.

It is agreed and understood the preferences of not to be assigned will not be valid in the event of temporary pro-

**E. W. Pipe Mill Finishing Job Preference**

motion or demotion caused by vacation replacement, absenteeism or on-the-shift variances in operating levels.

Yours very truly,

LONE STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

**AGREED TO AND ACCEPTED:**

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION

/s/ J. Randy Dean, President  
Local Union No. 4134

July 18, 2005

**EXPEDITED ARBITRATION PROCEDURE**

Mr. H. L. Thompson  
USW International Representative  
District 12, Sub-District 3  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 9699  
Houston, TX 77213

Dear Mr. Thompson:

By agreement, the following stipulations shall govern a Expedited Arbitration Procedure adopted on an experimental basis for the term of three years beginning July 18, 2005 and ending July 31, 2008 between Lone Star Steel Company and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union.

1. Expedited Arbitration shall be applicable only in disciplinary cases that do not require interpretation of collective bargaining agreement language.
2. Except as otherwise provided herein, the regular grievance and arbitration procedures stipulated by the general bargaining agreement in force between the parties during the experimental period shall be applicable to Expedited Arbitration cases.
3. Within ten (10) days after receipt of disciplinary cases appealed to arbitration, the Union's Staff Representative and the Company's Step 3 representative shall confer and determine whether the particular D- Case is to be submitted to regular arbitration or to the Expedited Arbitration Procedure. No D-Case may be referred to Expedited Arbitration without the prior written approval of both parties hereto.

**Expedited Arbitration Procedure**

As to any disciplinary case referred back to Step 2 representatives by the Step 3 representative of the Parties, the Chairman of the Local Union Grievance Committee may recommend such case to the Expedited Arbitration Procedure by notifying the Company in writing within seven (7) days of receipt of the referral from Step 3 representatives.

The parties shall thereupon notify the Special Arbitrator to set a date for hearing the case within five (5) days after his receipt of notification.

4. The parties hereby designate Mr. W. Mike Earley of Gregg County, Texas as Special Arbitrator, to have sole jurisdiction over Expedited Arbitrations between the parties. Should Mr. Earley become unable or unwilling to continue serving as Special Arbitrator for the remainder of the experimental period, his replacement must be approved by both parties prior to appointment.

It is further agreed, should a need arise for the appointment of a second Special Arbitrator due to unforeseen problems, then by mutual agreement, the parties may appoint another arbitrator in addition to the first arbitrator.

The parties hereby agree to review, on or about July 18, 2005 and again on or about each year thereafter, the continued appointment of the Special Arbitrator(s). If the parties cannot mutually agree to the continuance of appointment of the Special Arbitrator(s), the parties will mutually select another Special Arbitrator to fill the vacancy.

**Expedited Arbitration Procedure**

5. The decision of the arbitrator in Expedited Arbitration cases shall be final and binding in the same manner as regular arbitration cases.
6. Neither party shall ever cite any Expedited Arbitration award as a precedent in another arbitration case.
7. The Special Arbitrator shall render his written decision within two (2) working days following the date of hearing.
8. No written briefs shall be filed in Expedited Arbitration cases.

To indicate your approval and agreement to this understanding, please sign at the place provided below.

Yours very truly,

**LONE STAR STEEL COMPANY**

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

**AGREED TO AND ACCEPTED:**

**UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION**

/s/ H. L. Thompson, UMW International Representative  
Local Union No. 4134

July 18, 2005

DISCIPLINE

Mr. J. Randy Dean, President  
Local Union No. 4134  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 0127  
Lone Star, TX 75668

Dear Mr. Dean:

The Company and Union recognize that an employee who has received one or more notices of discipline should have a fair opportunity to eliminate these through satisfactory work performance.

Therefore, it is agreed that after an employee has successfully completed twenty-four (24) continuous months of work time without discipline (unless a shorter time is mutually agreed between the Company and the Union) previous notices of discipline will not thereafter be used against him in arbitration.

By this means an employee may be reassured that he has successfully corrected his record.

This agreement shall terminate upon expiration of the general bargaining agreement currently in force between Lone Star Steel Company and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union.

Yours very truly,  
LONE STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

AGREED TO AND ACCEPTED:

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING ENERGY,  
ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION

/s/ J. Randy Dean, President  
Local Union No. 4134

July 18, 2005

DRUG, ALCOHOL AND INHALANTS SCREENING PROGRAM

Mr. H. L. Thompson  
USW International Representative  
District 12, Sub-District 3  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 9699  
Houston, TX 77213

Dear Mr. Thompson:

The following understanding is hereby reached between the parties:

1. The potential problem of substance abuse or substance dependency poses a serious threat to the safety of all employees and the Company's operations. Therefore, the Company and Union join together in the development of a testing procedure for all employees in an effort to keep drugs, alcohol, and inhalants, out of the workplace. It is the desire of the Company and Union to create a safer work environment and at the same time offer assistance to those employees who have substance abuse or dependency problems and the opportunity to overcome such problem so they can become a safer and more productive person.
2. The Company policy and penalty for possession, use or distribution of illegal or unauthorized drugs, alcohol, inhalants and prescription drugs (except when taken as prescribed by the employees' doctor and declared with the Company before testing) now established will be applicable to all employees of the Company.
3. Assistance will be offered to employees who come forward requesting assistance prior to reaching a point of being tested for cause or any disciplinary action. Assistance may be provided under the present health care plan.

Drug, Alcohol and Inhalants Screening Program

4. The screening program shall consist of: 1) testing of employees for cause, 2) testing of employees returning to work from layoff status and leave of absence (normally six months) and 3) random testing.
5. The Company may require employees to undergo testing procedures by transporting such employees to a person(s) or testing facility of its choice to conduct such testing. The Manager of Labor Relations or his designee(s) from the Human Resources department shall be the person(s) authorized to decide whether any employee shall undergo such testing. Employees to be tested must sign a consent to be tested and release of information results form before testing. Employees refusing to sign such release and undergo testing will be subject to termination or considered a voluntary quit.
6. The types of tests which could be administered include hair, blood, urine or other appropriate test.

TESTING FOR CAUSE:

Employees to be tested for cause are employees who have exhibited abnormal, or unsafe behavior as observed or as reported, for example:

Attitude - Irritable, argumentative, irrational, etc.

Attendance - Absent from work, tardiness

Work Performance - Poor quality, conflict with fellow workers, problem following instructions, unsafe acts, etc.

Speech - Blurred, incoherent, disjointed, fast, slow, etc.

Drug, Alcohol and Inhalants Screening Program

Reflexes - Hyperactive, slow

Muscular movement - Tremors

Coordination - Lack of eye-hand, balance, walk, etc.

Eyes - Dilation of pupils, failure to respond to light, etc.

Vital Signs - Abnormal blood pressure, sweating, pulse, respiration or temperature

RANDOM TESTING:

- A. The Company will demonstrate its commitment to a drug free work place through random testing of employees, who are not otherwise covered under the DOT (Department of Transportation) or FRA (Federal Railway Act) testing programs.
- B. Selection of employees to be tested will be done through a statistical random number generation to select badge numbers. A representative of the Union will have the option of attending this process. This random-depleting process will contain all employees minus those that have been tested due to random selection within the contract year. The badge numbers will be confidentially provided to the nurse with the medical department, who will then compare badge numbers to a computer print out to generate an employee name list.
- C. When notified of selection for testing, the employee will have a reasonable amount of time (as agreed to by the plant nurse and employee) to report to the medical department or to the test administrator.

**Drug, Alcohol and Inhalants Screening Program**

- D. Failure to report, after proper notification, will constitute refusal to be tested and will result in the employee's termination.
- E. Once notified, the employee will be guided through the testing program by the plant nurse.
- F. Employees with positive test results will be terminated.
- G. Medical assistance, through the health plan, will be available to those who come forward to the Human Resources Department prior to notification for testing.
- H. A drug awareness training program will be conducted for employees prior to the effective date of the testing program. The training program will cover company policy, abuse problems, and general information about drugs.
- I. The policy will become effective January 1, 2002.
- J. Random testing will begin April 1, 2002.

Employees with positive test results tested for cause or random testing are subject to termination.

Employees who enter a rehabilitation facility must complete the recommended program of the facility for their particular problem. The program may consist of the following:

- (a) In-Patient Care which includes detoxification, participating and counseling.
- (b) Intensive Out-Patient Care which includes attendance, participation and counseling.
- (c) Out-Patient Care which includes attendance, participation and counseling.

Drug, Alcohol and Inhalants Screening Program

- (d) After Care which requires joining and attendance in recommended organizations for a specified time.

Employees who fail or refuse to complete the recommended program will be subject to termination.

Yours very truly,

LONE STAR STEEL COMPANY

/s/ Eddie L. Jones  
Manager, Labor Relations

AGREED TO AND ACCEPTED:

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION

/s/ H. L. Thompson, USW International Representative  
Local Union No. 4134

July 18, 2005

MOBILE EQUIPMENT OPERATOR  
SPECIALTY TUBING

Mr. J. Randy Dean, President  
Local Union No. 4134  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 0127  
Lone Star, TX 75668

Dear Mr. Dean:

Reference is made to the Company proposal during negotiations regarding Mobile Equipment Operator in Specialty Tubing servicing facilities outside their seniority unit, except the Rolling Mills.

The Company and Union agree on occasions when Mobile Equipment coverage is not required for a full scheduled turn, these facilities may be serviced by Mobile Equipment Operators from Specialty Tubing by making up to six (6) lifts or a maximum of two (2) hours during the scheduled turn.

Yours very truly,

LONE STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

AGREED TO AND ACCEPTED:

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION

/s/ J. Randy Dean, President  
Local Union No. 4134

July 18, 2005

LAYOFF BENEFIT PLAN

Mr. H. L. Thompson  
USW International Representative  
District 12, Sub-District 3  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 9599  
Houston, TX 77213

Dear Mr. Thompson:

It is mutually agreed that the Layoff Benefit Plan (LOB) is hereby suspended for the duration of the Labor Agreement dated July 18, 2005.

This agreement shall be coterminous with the new contract and shall expire or terminate therewith.

Yours very truly,

LONE STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

AGREED TO AND ACCEPTED:

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION

/s/ H. L. Thompson, USW International Representative  
Local Union No. 4134

July 18, 2005

**SAFETY SHOES**

Mr. H. L. Thompson  
USW International Representative  
District 12, Sub-District 3  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 9699  
Houston, TX 77213

Dear Mr. Thompson:

Effective July 18, 2005, employees who on that date have one year of continuous service and are in active work status or return to active work status within the year shall receive a safety shoe credit allowance up to a maximum of \$115.00 to be applied to the purchase price of one pair of safety shoes for their wear at work in the plant.

An employee with less than one year of continuous service will also be eligible for a pair of safety shoes as described above; however, if the employee terminates employment before one year of continuous service, the credit allowance will be deducted from the employee's last pay check.

During the life of the contract effective July 18, 2005, the above safety shoe allowance will be made as outlined above for each full year of the contract.

Credit allowances cannot be carried over from one period of eligibility to the other.

Employees desiring to use credit allowance to purchase shoes must come by Labor Relations Department the week prior to the date shoes are needed to make a request and determine eligibility.

**Safety Shoes**

In addition to the safety shoe credit allowance above, the Company agrees to furnish upon demonstrated need, one (1) additional shoe voucher per year in the following department job classifications: Speciality Tubing - Mill Supplier, Pickling area production and maintenance employees; Electric Arc Furnace - Steel Pourer, Ladleman; Masonry - Mason Laborer; 2-Hi Rolling Mill - Scarfer; EWFN Finishing - Cridan Cutoff Operator.

Application for an additional shoe voucher for job classifications not named may be made through the Safety Department, and reviewed by Labor Relations. Upon justification of a demonstrated need one (1) additional shoe voucher per year will be issued.

Yours very truly,

LONG STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

**AGREED TO AND ACCEPTED:**

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION

/s/ H. L. Thompson, USW International Representative  
Local Union No. 4134

July 18, 2005

**ELECTRICAL TECHNICIAN  
WORK ASSIGNMENTS**

Mr. J. Randy Dean, President  
Local Union No. 4134  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 0127  
Lone Star, TX 75668

Dear Mr. Dean:

It is understood and agreed by both the Company and the Union that on occasions when new jobs are developed they may have multiple duplicate job functions. It is also understood and agreed as a result of developing the new job of Electrical Technician and its job functions, it is not the intent of the Company to assign work now being performed by the Electronic Repairman and Electronic Technician to the Electrical Technician for the purpose of displacing them on their jobs.

Yours very truly,

LONE STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

AGREED TO AND ACCEPTED:

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION

/s/ Randy Dean, President  
Local Union No. 4134

July 18, 2005

**DAY SHIFT ASSIGNMENTS**

Mr. H. L. Thompson  
USW International Representative  
District 12, Sub-District 3  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 9699  
Houston, TX 77213

Dear Mr. Thompson:

The Company and Union hereby agree to the following with regard to straight day ("B") shift jobs for trade and craft employees:

It is agreed future permanent vacancies on the "day" shift in an assigned area where the vacancy occurs shall be offered to the most senior employee who is not currently working a straight day job and who has submitted a written re-assignment request to Labor Relations ten (10) days in advance of the opening.

It is also understood and agreed employees requesting assignment to the vacancy must possess the required skills, seniority, ability and physical fitness to perform the required duties of the job opening.

Yours very truly,  
LONE STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

AGREED TO AND ACCEPTED:  
UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION

/s/ H. L. Thompson, USW International Representative  
Local Union No. 4134

July 18, 2005

VOLUNTARY LAYOFF DURING PLANNED  
TEMPORARY SHUT DOWN

Mr. H. L. Thompson  
USW International Representative  
District 12, Sub-District 3  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 9699  
Houston, TX 77213

Dear Mr. Thompson:

It is agreed between Lone Star Steel Company and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Local No. 4134, that the following stipulations shall govern a Voluntary Layoff during temporary shut downs on an experimental basis.

1. During periods established by the Company for temporary shutdowns, positions may be scheduled by the Company in accordance with Section 12 of the Labor Agreement. Those employees with seniority to work during outages may volunteer to enter layoff status. The Company shall decide whether the requested voluntary layoff would interfere with the Company's ability to staff its manning requirements, such as crane operators. The voluntary layoff period will not exceed the period of the shutdown or a maximum of four weeks, unless otherwise agreed to by the Company and the Union.
2. Employees volunteering for layoff during periods of outages will be required to remain in layoff status for the duration of the designated outage and may not exercise seniority rights to displace any personnel scheduled to work during the period of the outage.
3. Employees wishing to volunteer for layoff are required to submit a written request to Labor Relations, at least ten (10) days (excluding Saturdays, Sundays and Holidays) in advance of the

**VOLUNTARY LAYOFF DURING PLANNED TEMPORARY SHUTDOWN**

effective date of the outage. Once the layoff notice has been posted those individuals listed shall be obligated to participate per their request in the scheduled layoff/outage.

4. This letter does not in any way affect the provisions of paragraphs 242 or 295 or the historical and/or precedent application of either of these paragraphs, or any other provision of the collective bargaining agreement.
5. Either the Company or the Union may fully terminate this letter agreement in its entirety upon thirty (30) days written notice to the other.

*Yours very truly,*  
LONE STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

**AGREED TO AND ACCEPTED:**

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION

/s/ H. L. Thompson, USW International Representative  
Local Union No. 4134

July 18, 2005

**SAFETY AGREEMENT**

Mr. H. L. Thompson  
USW International Representative  
District 12, Sub-District 3  
United Steel, Paper and Forestry, Rubber,  
Manufacturing Energy, Allied Industrial and  
Service Workers International Union  
P. O. Box 9699  
Houston, TX 77213

Dear Mr. Thompson:

Safety issues are a primary concern of both the Company and the Union. It is agreed that any perceived safety issue should be discussed and solved at the earliest reasonable time. Therefore, the following procedure shall be followed by both the Company and the Union:

1. Any hourly employee observing what is perceived as a safety issue shall report such condition to their immediate supervisor.
2. If such condition is not addressed or corrected, considering the particular issue, within a reasonable time, the employee shall complete a safety complaint form specifying the perceived issue and report such condition to their Union department Grievance Committeeman or Assistant Committeeman.
3. The Union Grievance Committeeman or Assistant Grievance Committeeman shall then present the written safety complaint form to the department Supervisor for discussion and proper solution/result.
4. If the Union Grievance Committeeman or Assistant Grievance Committeeman is not satisfied with the result of such discussion, he shall use the "Safety Hotline" to report such matter to the Safety Manager designated by the Vice-President of Human Resources, who will then, when presented with the written complaint form, discuss the situation to achieve the proper solution/result.

**SAFETY AGREEMENT**

5. If the perceived issue is not satisfactorily resolved, the Union Grievance Committeeman or Assistant Grievance Committeeman may schedule an appearance at the designated place, at the end of any planned program to present and discuss the perceived safety issue.
6. If the perceived issue is not resolved, the matter then may be presented to the Manager of Labor Relations.
7. If the perceived issue is not resolved by the Manager of Labor Relations, a formal grievance may be filed, then the matter may proceed to arbitration under Section 13 of the parties' collective Bargaining Agreement.

This letter represents the commitment of the Company and the Union to maintaining a safe workplace for all Lone Star Steel employees.

Yours very truly,  
LONE STAR STEEL COMPANY

/s/ Eddie L. Jones, Jr.  
Manager, Labor Relations

AGREED TO AND ACCEPTED:  
UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING  
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL  
UNION

/s/ E. L. Thompson, UMW International Representative  
Local Union No. 4134

