

2008 Collective Bargaining Agreement
between
Todd Pacific Shipyards Corporation
and the
Metal Trades Department of the AFL-CIO,
the
Pacific Coast Metal Trades District Council,
the
Puget Sound Metal Trades Council,
the
Affiliated Local Unions,
and the
International Unions Signatory Thereto

PREAMBLE:

This Agreement is made and entered into by and between Todd Pacific Shipyards Corporation (hereinafter referred to as the "Employer") and the Pacific Coast Metal Trades District Council, AFL-CIO, on behalf of itself, the Puget Sound Metal Trades Council, affiliated Local Unions, the International Unions listed below and the Metal Trades Department, AFL-CIO (hereinafter referred to as the "Unions").

ARTICLE 1: SCOPE OF AGREEMENT

- 1.1** This Agreement shall cover all production, repair and maintenance employees within the bargaining unit in the employ of the Employer signatory hereto, and shall apply to all work and activities of the Employer in connection with the construction, conversion, repair or scrapping of any vessel on the Pacific Coast, including but not limited to, dredges, floating drydocks, offshore drilling vessels, barges, mobile drilling platforms, platforms and all component parts, plant equipment, and all auxiliary equipment used in conjunction therewith.

ARTICLE 2: SUBCONTRACTING

- 2.1** The agreement of the parties with respect to the subject of subcontracting as permitted by this Article shall be that whenever the Employer subcontracts work, the Employer will provide to the Local Metal Trades Council and the particular Union(s) affiliated with the Local Metal Trades Council, the name, address and telephone number of the subcontractor, and upon request, the type of work subcontracted.
- 2.2** **Work Preservation and Enhancement.** In the interest of securing additional projects for the Employer and work opportunities for its employees, the Employer and Local Metal Trades Council agree to a permanent subcontracting committee consisting of representatives from the Local Metal Trades Council and the Employer which shall meet on a monthly basis to investigate how to increase the amount of available work performed by employees of the shipyard and to eliminate as much subcontracting as possible. Labor attendees will consist of Representatives of the Local Metal Trades Council and the former Lean Liaison or his replacement (to be jointly selected by Labor and the Employer). Employer attendees will consist of the HR Manager, and the Labor Relations Manager. The Employer will also have present any other members of management that are necessary to resolve outstanding issues brought to management's attention. The parties agree to establish an agenda for each meeting in order to best utilize the committee's time. The President of the Local Metal Trades Council and the Labor Relations Manager will work together to determine the agenda prior to the meeting date.
- 2.3** The Employer agrees that it will not bar access to subcontractor employees for purposes of union organizing.
- 2.4** The Employer retains the right to subcontract work on or off the Employer's premises. Persons performing such work will be held to the same health, safety, environmental and drug policies as the Employer.
- 2.5** The Employer will assist in the enforcement of this Article.

ARTICLE 3: NON-DISCRIMINATION, RECOGNITION, UNION SECURITY, HIRING, SENIORITY

- 3.1** **Nondiscrimination:** The Employer and Unions agree that there will be no discrimination in employment because of race, creed, color, national origin, age, sex, or handicap, as defined by Federal and State Laws. Nor shall there be any discrimination of disabled veterans or veterans of the Vietnam era. In referring to employees in this Agreement, the masculine gender is used for convenience only and shall refer both to males and females. Compliance with State and/or Federal laws shall not be considered discrimination under this sub-section.
- 3.2** **Recognition:** The Employer recognizes the Unions as set forth in the Preamble and signatory hereto as the sole collective Bargaining Agents for all of its employees covered by this Agreement, in all of the classifications contained in Schedule "A" of this Agreement and employed on work covered by the "Scope of this Agreement."
- 3.3** **Union Security:**
- (a) Employees included in the Bargaining Unit covered by this Agreement who are members of the respective Union as of the effective date of this Agreement shall, as a condition of employment, maintain their membership in the Union.
 - (b) Employees included in the Bargaining Unit covered by this Agreement who are not members of the respective Union as of the effective date of this Agreement, shall apply for membership in said Union on the thirty-first

(31st) day after such effective date; and all employees who are accepted into membership into the Union shall maintain their membership in the Union as a condition of their employment.

- (c) Employees hired after the effective date of this Agreement shall apply for membership in the respective Union on the thirty-first (31st) day following the beginning of such employment, and all employees who are accepted into membership in the Union shall maintain their membership in the Union as a condition of their employment.
- (d) The Employer, upon written request of the Local Union, shall discharge any employee within two (2) working days after receipt of such notice, who fails to tender the periodic dues and initiation fees uniformly required by the Union as a condition of acquiring or retaining membership in good standing in the Union.
- (e) An employee who desires his regular monthly union dues to be deducted from his pay by the Employer and remitted to the Financial Secretary of the Union shall submit a fully executed authorization card as follows:

Union Dues Deduction:

I hereby authorize Todd Seattle Division to deduct regular monthly union dues from wages earned by me while in the bargaining unit represented by the Unions shown below. I understand that the monthly deduction amount to be withheld will be provided by the Unions directly to Todd on an annual basis or as an interim rates change.

I understand that such deductions are to be made on the first regularly scheduled payday of the month following the month in which this authorization is received by the Human Resource Office of the Employer. This authorization and assignment shall remain in effect until canceled by written notice of the Union or the Employee. The dues deducted are to be sent no later than the end of the calendar month in which the deduction was made to:

Employee Name: _____ Date: _____
Signature: _____ Soc. Sec. #: _____

The Union and the Employee shall hold the Employer harmless against any claim that might arise out of or by reason of action taken or not taken by the Employer in a good faith effort in complying with this provision.

Political Checkoff:

The Employer agrees to deduct and transmit to the Employees Union Political Fund an amount for each hour worked from the wages of those employees who have voluntarily authorized such contributions on the forms provided for that purpose by the union. These transmittals shall occur monthly and shall be accompanied by a list of names of those employees for whom such deduction has been made, and the amount deducted for each such employee.

Each Union agrees to indemnify and hold harmless the Employer from any and all claims, actions, and/or proceedings arising out of said political fund.

3.4 Hiring:

- (a) The Employer agrees that when additional employees are required the appropriate Local Union will be given as much advance notice as possible, but not less than twenty-four (24) hours excluding Saturday, Sundays and Holidays, so that the Union may have a reasonable opportunity to refer applicants for employment. The period of notice will commence when the appropriate Union receives such notice by telephone from the Employer. Such notice, including the number and qualifications of the employees required, shall be given by the Personnel Department or other designated representatives of the Employer. The Unions agree that they will, upon request of the Employer, refer experienced men, when available, to the Employer for the classifications covered by this Agreement. If less than twenty-four hour notice is given, the Unions agree that upon receipt from the Employer of a request for additional manpower, they will make every reasonable effort to provide the manpower as soon as possible. However, this does not eliminate the requirement of the employer to give advance notice to the affected union regardless of whether all seniority employees have been recalled or not.

- (b) Selection of applicants for referral to jobs shall not be based on, or in any way affected by, Union membership, by-laws, rules, regulations, constitutional provisions or any other aspect or obligation of Union membership, policies or requirements.
- (c) The Employer retains the right to reject any job applicant referred by the Unions. The Employer will provide, in writing, within two (2) working days, the reasons for rejection of applicants referred by the Union. The Employer may discharge any employee for just and sufficient cause. The Employer agrees to notify the appropriate Union in writing of the name or names of any former employee or employees not eligible for rehire. The "not eligible for rehire" letters sent to the Unions will be reviewed annually upon request of the Union.
- (d) The Unions agree that they will not discriminate against non-union workmen in referring workmen to the Employer, and the Employer agrees not to discriminate against Union members in selecting job applicants referred to him by the Unions.
- (e) A copy of this Article of Agreement shall be posted at the employment office of the Employer and at the place where the appropriate Local Unions conduct the operation of referring persons for employment under this Agreement.
- (f) The Employer may request any former unemployed employee by name and the Unions shall refer such person after compliance with the provisions set forth in this Article. The Employer will provide proof of former employment of such person if requested by the Union.
- (g) If the Employer hires persons other than those referred by the Unions, he shall advise the appropriate Local Union within two (2) working days after such person is hired, as to the name, address, social security number, date of hire, classification and rate of pay of such employee. The same information shall be furnished in writing by the Employer to the appropriate Local Union within forty-eight (48) hours after the termination of such employee.
- (h) All employees referred to the Employer by the Unions under this Article shall submit to the making of such records as are or may be required by the Employer for the purpose of identification.
- (i) The Unions and Employer agree to hold each of the other Parties signatory hereto harmless from any money damages and penalties assessed against them by any Government Agency or Court of Law because of any charge of unfair labor practice or act where such practice or act was proximately or solely caused by any one of the individual Unions or Employer.
- (j) Notwithstanding the provisions of Section 3.4 of this Article, for ship repair contracts that will require manpower over and above what has historically been available from the affiliates of the Local Metal Trades Council or other Local Union sources, the Employer may notify the relevant Local Union(s) of this circumstance and thereby invoke the provisions of this Section. When the Employer invokes the provisions of the Section, the relevant Local Union(s) shall contact the relevant Local Union(s) affiliated with the Pacific Coast Metal Trades Council and request manpower to fill the local area manpower shortage(s). From the date of the Employer's initial contact with the relevant Local Union(s) giving notification that the provisions of this section are being invoked, the Local Union(s) shall have (10) calendar days to provide the Employer with the names of the individuals and other relevant information for individuals from outside the local area that have committed to be available to fill the manpower order(s).

3.5 Seniority:

- (a) For the purpose of layoff and recall, the principle of seniority is hereby established for employees in the bargaining unit.
- (b) Seniority shall be established after an employee has worked in an established represented classification a period of ninety (90) cumulative working days within a nine (9) month period." Any employee who acquired seniority prior to this Agreement will retain the seniority date currently assigned. Any employee hired or rehired after the date of this Agreement will acquire seniority in accordance with the paragraph above.

For example: If an employee starts in January, he has until the end of September to qualify for seniority. If at the end of September he has not qualified for seniority, then the nine (9) month period is extended to the month of October, and the month of January is dropped.

- (c) An employee's seniority under this Article shall be terminated under the following conditions:
1. If the employee is discharged for cause.
 2. If the employee quits.
 3. If the employee fails to report to work at the time specified by the Employer or within forty-eight (48) hours (Saturday, Sunday and holidays excluded).
 - (a) The Employer will place his recall order with the Union, naming employees eligible to be recalled for such order by Seniority List. The Employer shall at the time of placing such order send the "Official Notice of Recall" to such eligible employee in the manner covered in Item 3.5 (c) (3) (d) below. Upon receipt of such "Notice of Official Recall" the employee must report for work within forty-eight (48) hours or suffer loss of seniority.
 - (b) The Union shall make every reasonable effort to notify the employee by telephone of his recall and time to report to the Employer.
 - (c) Employees contacted by the Union shall make every reasonable attempt to report for work at the time specified by the Employer.
 - (d) A list of those employees not contacted by the Union, and those contacted who inform the Union they are not answering the recall, shall be given to the Employer within twenty-four (24) hours after the Union receives the recall order.

The Employer shall then notify the employee (unless "Notice of Recall" is sent under Item 3.5 (c) (3) (a) above) by telegram, Certified or Registered letter to the employee's last address on record. The Employer shall notify the Union, in writing, within two (2) working days, of receipt of an unacknowledged letter. It is the employee's personal responsibility to maintain a current address and telephone number with the Employer and the Union. Upon receipt of such "notice of recall" the employee must report for work within forty-eight (48) hours or suffer loss of seniority. Individual problem cases shall be handled on their merit by the Employer and the Union.
 4. Any employee absent for three (3) consecutive work days or more without notification and furnishing a justifiable reason for such absence shall be considered to have voluntarily terminated his employment. Exceptional cases will be handled on their merit. Employees on Employer-approved leave of absence or industrial injury shall not be subject to this provision.
 5. If an employee with less than five (5) years of seniority is laid off for lack of work from the Employer's active payroll for a period of one (1) year.
 6. If an employee with 5 or more years of seniority is laid off for lack of work from the Employer's active payroll for a period of fifteen months.

An employee on Employer-approved sick leave or industrial injury at the time of lay off for lack of work shall be recalled according to his respective seniority recall eligibility and if still unable to return to work shall be returned to the Employer's sick leave or industrial injury status.

- (d) Seniority shall not apply to recall for jobs of less than ten (10) working days duration starting on the first day following the placing of the order at the Union Hall for an employee.
1. The Employer has the responsibility under 3.5 (c) (3) a) to call the Union Hall for employees with seniority for jobs regardless of duration.
 2. The provision under 3.5 (d) is only to give the right to the employee with seniority to reject a job offer of less than ten (10) days. Further, there is no guarantee of pay for days not worked.
 3. The Employer can call employees for more than one (1) job in the ten (10) day period or less.

4. If the job is not completed in the ten (10) working days' duration and is needed to be extended from one to three (1-3) working days beyond the ten (10) day duration, the Employer is not required to call seniority employees who originally rejected the ten (10) day call back for that period of time.
- (e) The Employer shall be entitled to retain Lead I and classifications above the Lead I paid on an hourly rate without regard to seniority.
- (f) Seniority shall apply to classification of the Craft or Union as set forth in this Agreement, and by such classifications as may be agreed upon by the Employer and the appropriate Union.
- (g) On layoffs and recalls in any classification or agreed classification, the following factors shall apply:
 1. Length of continuous seniority with the Employer in the classification or agreed classification.
 2. Demonstrated skill and ability to perform the work within the classification or agreed classification. Where factor two (2) is equal as between employees to be laid off and recalled, then factor one (1) shall prevail.
- (h) Employees who are laid off in accordance with Subsection (g) shall be recalled to work in inverse order of layoff, provided the employee is qualified to perform the work within the classification or agreed classification.
- (i) Employees promoted to any higher classification or to Lead I paid on an hourly basis shall continue to accrue seniority in the classification from which they are promoted during the time they serve in such capacity. Employees promoted to jobs outside the bargaining unit shall retain such seniority as they had in the classification from which they were promoted as of the day of the promotion. There will be no retroactive adjustments, but prospectively these employees shall not continue to accrue seniority while out of the bargaining unit.
- (j) The Employer will furnish a current Seniority List on a monthly basis to each appropriate Union, designating Lead I and Lead II. Such Seniority List will be posted in the office of the Unions and the Employers, and it shall be the responsibility of the employee to review such list as to his individual seniority status.

ARTICLE 4: LEAD I

4.1 Lead I in all departments shall be selected, as far as practicable, from the crafts they are supervising and with a view to their mechanical ability, knowledge of ship repair methods, safety, administrative procedures, working knowledge of the operations of the department, ship yard production procedures and shall be journeymen and/or mechanics and shall be members of their respective Union. In addition, Lead II when paid on an hourly wage rate basis, shall be selected, as far as practicable, from the crafts they are supervising and with a view to their mechanical ability and shall be journeymen and/or mechanics and shall be members of their respective Union. Apprentices, trainees, and helpers will not be promoted directly to Lead I.

On ship repair work, a crew size of 15 (total to include the Lead I) or less of multiple crafts may be supervised by the lead craft on that crew.

While on overtime, a Lead I supervising a crew of more than four journeymen shall not work with the tools.

Employees receiving premium pay as a Technical Expert shall not supervise crews or be considered a Lead I.

Employees classified above Lead II or Quartermen (e.g. Trade Coordinators and Production Supervisors), while retained out of seniority, shall not displace journeymen by working with the tools during regularly established work week or on overtime, except under the following circumstances:

- a. Instruction for employee development; or
- b. There is a Labor shortage and the Union cannot provide the necessary manpower.

4.2 The Compensation for Lead I shall be in accordance with established local practice but in no case less than one dollar and twenty cents (\$1.20) per hour over the wage of the craft they are supervising as set forth in Schedule "A". The compensation for Lead II, when paid on an hourly wage rate basis, shall be in accordance with established local practice. The activities and assignments of supervisors mentioned hereinabove shall not be restricted, nor shall they be

extended during overtime periods to the end that they be used to replace employees in the performance of overtime work.

- 4.3 Lead II, Lead I and mechanics from other crews cannot be used to complete a job or work assignment which continues into or requires overtime work. The intention of the Parties signatory to this Agreement is to continue to use Lead II or immediate supervisor above, Lead I and mechanics already assigned in the completion of work which extends into overtime periods, except in emergency situations.

It is the intention of the Employer not to eliminate the classifications of Lead I or the immediate classifications above Lead I paid on an hourly basis and to substitute salaried personnel for such classification.

- 4.4 In the interest of safety, it is agreed that the Company and the Unions shall work together to insure that Lead I will not have crews of unmanageable size.

ARTICLE 5: STANDARD DAY SHIFT HOURS

- 5.1 Forty (40) hours shall constitute a work week, eight (8) hours a day, five (5) days per week, Monday to Friday, inclusive between the hours of 7:00 A.M. and 4:30 P.M., except that where as to any locality or as to any plant of any Employer existing traffic conditions render it desirable to start the day shift at an earlier hour. Such starting time may, by agreement between the Employer and the local Metal Trades Council, be made earlier.

ARTICLE 6: SHIFTS

- 6.1 Shift work shall be permitted in all classifications on the following basis, without restrictions.

- 6.2 The regular starting time of the day shift shall be 7:00 a.m. unless modified as set forth in Article 5.

The normal starting time of the swing shift shall be between 3:30 and 5:00 p.m. unless modified by mutual agreement between the Employer and the local Metal Trades Council.

The normal starting time of the graveyard shift shall be between 11:30 p.m. and 1:00 a.m. unless modified by mutual agreement between the employer and the local Metal Trades Council.

In the event operating conditions should require the adaptation of modified hours apart from regular shifts outlined under Article 6.2, the affected Union and Company agree to discuss the situation and if required may modify work hours, providing the terms are mutually acceptable.

- 6.3 The regularly established starting time of the day shift shall be recognized as the beginning of the twenty-four (24) hour work day period. When irregular or broken shifts are worked, overtime rates shall apply before the regular starting time and after the regular quitting time of the shift on which the employee is regularly employed.

- 6.4 Employees transferred from one shift to another, unless relieved from work at least seven and one-half (7 1/2) hours before starting their new shift shall be paid the overtime rate for the first such shift worked.

- 6.5 No employee shall be transferred from his regular assigned shift to another shift more than once in a work week; however, he may be returned to his regular assigned shift. This shall not apply in an extreme emergency or where there is shortage of manpower. Any violation to this Section shall entitle the employee to the overtime rate for the first such shift worked.

- 6.6 **First or Regular Daylight Shift:** An eight and one-half (8 1/2) hour period less thirty (30) minutes for meals on the employee's time. Pay for a full shift period shall be a sum equivalent to eight (8) times the regular hourly rate with no premium.

- 6.7 **Second Shift:** An eight and one-half (8 1/2) hour period less thirty (30) minutes for meals on the employee's time. Pay for a full shift period shall be a sum equivalent to eight (8) times the regular hourly rate plus seventy-five (75) cents for each hour worked. Second Shift work will be offered to employees first on a voluntary basis. When an insufficient number of employees volunteer, the employer may invoke inverse seniority. The first qualified employee working, with the least seniority, shall be the first employee required to work the second shift.

- 6.8 **Third Shift:** A seven (7) hour period less thirty (30) minutes for meals on the employee's time. Pay for a full third shift period shall be a sum equivalent to eight (8) times the regular hourly rate plus seventy-five (75) cents for each hour worked.

ARTICLE 7: WAGE SCALES

- 7.1 The Employer agrees to pay to its employees and the Unions agree that their members employed by the Employer will accept the wage scales for the various classifications set forth and contained in Schedule "A" of this Agreement.
- 7.2 The wage rates herein established are minimum rates only, and shall not prohibit the Employer from paying a premium wage rate to any of his employees. Where an employee is receiving a premium wage rate at the time a general increase in wages becomes effective, such employee shall receive such general increase.
- 7.3 The granting of a premium wage rate to any employee and the elimination of such premium wage rate shall remain the sole prerogative of the Employer. However, this section shall not be used to avoid payment of a negotiated wage increase to premium men.
- 7.4 Conditions and compensation for launching shall remain the same as the existing practice.
- 7.5 All paychecks containing overtime pay shall specify on the check stub the number of overtime hours worked.

ARTICLE 8: OVERTIME

- 8.1 Overtime at the rate of one and one-half (1 1/2) times an employee's established hourly rate including any and all premiums and shift differentials, as set forth in Schedule "A" shall be paid for all work performed outside of his regular shift or in excess of eight (8) hours, but less than twelve (12) hours, on Monday through Friday and less than twelve (12) hours on Saturday. Overtime at the rate of two (2) times an employee's established hourly rate shall be paid for all work performed on Sunday, a holiday or in excess of twelve (12) hours on Monday through Saturday. Overtime payment for hours outside of an employee's established shift hours will be subject to Section 6.3. Work performed on the non-holiday days during the recognized Holiday Weeks shall be paid at a minimum of two times the employee's established hourly rate.
- 8.2 If an employee working on the "first" or regular daylight shift is required to return to work on the third shift within the same twenty-four (24) hour work day period, he shall receive one and one half (1½) times his established rate for the first such "third" shift worked. The twenty-four (24) hour work day period mentioned herein shall be the twenty-four (24) hour period commencing with the starting time of the day shift.
- 8.3 **Work after 1:00 A.M.:** Day shift required to work after 1:00 A.M. and laid off before 6:00 A.M. shall be paid to 6:00 A.M. at overtime rates.
- 8.4 Employees required to work overtime past the quitting time of their regular shift, unless relieved from work at least seven and one-half (7½) hours before starting to work on their next regular shift, shall be paid the applicable overtime rate for such shift
- 8.5 **Salvage and Dynamite:** All salvage work at site, unless the site is in Employer's yard or dock, shall receive one half (1/2) additional hour of straight time pay for each hour worked, regardless of the hour or day; also Powder and Dynamite Boats when anchored at Powder Anchorage. Any area designated by the U.S. Coast Guard as a powder, dynamite or explosive site is understood to be a Powder Anchorage referred to above. The applicable rate including any and all premiums and shift differentials applies to any craft while on the job at the site.
- 8.6 **Lunch Periods:** A lunch period shall be allowed on the Employer's time at the end of a regular shift if employees are required to work overtime in excess of two (2) hours. A meal period shall be allowed on the Employer's time when an employee is required to work more than two (2) hours before his regular shift and continues working into his regular shift thereafter.
- 8.7 Employees working overtime shall receive a lunch period of thirty (30) minutes on Employer's time every four (4) hours.
- 8.8 The foregoing shall not apply to the noon day lunch period on Saturday, Sunday and holidays.
- 8.9 An employee required to work during his regular lunch period shall receive the established overtime rate for such lunch period and shall thereafter be allowed a reasonable opportunity to eat his lunch on the Employer's time. This provision shall not apply to drydock crews provided that at least one (1) hour notice is given prior to the regular lunch period.

8.10 Overtime work should be offered to employees first on a voluntary basis. When mandatory overtime is necessary and an insufficient number of employees volunteer, the employer may invoke inverse seniority. The first qualified employee working, with the least seniority, shall be the first employee required to perform the work.

ARTICLE 9: HOLIDAYS

9.1 Holidays shall be recognized as follows and paid for as such.

9.2 The following shall be paid Holidays:

NEW YEAR'S DAY,	DAY AFTER/BEFORE NEW YEAR'S DAY*,
PRESIDENT'S DAY,	MEMORIAL DAY,
INDEPENDENCE DAY,	LABOR DAY,
THANKSGIVING DAY,	DAY AFTER THANKSGIVING DAY,
CHRISTMAS DAY,	DAY BEFORE/AFTER CHRISTMAS DAY*,
AND THE EMPLOYEE'S BIRTHDAY.	

* For the years 2008, 2009, 2010, 2011, and 2012, New Year's Day, Day before/Day after New Year's Day, Christmas Day and the Day before/after Christmas Day shall be observed as a Holiday Week (consisting of an agreed number of consecutive days off with four (4) days compensation) for the holidays listed above.

2008	Thursday December 25 th – Friday January 2 nd
2009	Friday December 25 th – Friday January 1 st
2010	Saturday December 25 th – Saturday January 1 st
2011	Sunday December 25 th – Monday January 2 nd
2012	Monday December 24 th – Tuesday January 1 st

Employees shall have the option to trade the Birthday holiday in order to receive five (5) days compensation for the above referenced Holiday Weeks (instead of the contractual (4) four). This option shall apply to all employees on an individual basis.

The employees shall receive their birthday off with pay. The employee may take off either the Monday or Friday during the week his birthday falls with approval of the appropriate Department Head. In the event that the pre-arranged day off is canceled by the Employer, the employee will receive the appropriate holiday rate for all hours worked on the pre-arranged day off.

Qualifying Conditions: An employee shall receive eight (8) times the hourly rate of pay for each of the above holidays, provided:

- (a) He has been in the employ of the Employer for thirty (30) calendar days, and
- (b) He worked all of the hours required by the Employer on both the regularly scheduled work day prior to and the regularly scheduled work day following the applicable holiday.
- (c) He will receive holiday pay in spite of absence on the work day prior to or the work day following such holiday, where such absence was due to:
 - 1. industrial accident.
 - 2. bonafide illness covered by a doctor's certificate.
 - 3. absence approved by the Employer.
 - 4. being laid off for "lack of work" within ten (10) regularly schedule work days before the holiday, and is recalled to work within ten (10) regularly scheduled work days after the holiday.

9.3 Holiday on Saturday and Sunday: If a holiday set forth above falls on Saturday, the preceding Friday shall be observed as the holiday. If a holiday set forth above falls on a Sunday and is observed by the State or Nation on the Monday following, said holiday will be paid for under the conditions contained in this Article. Existing holidays whose dates are changed by Congressional Law shall be changed in this Article.

9.4 When a paid holiday occurs within an employee's approved vacation period, he shall receive holiday pay as provided in this Article and is entitled to take another day of vacation at his discretion if arrangements to do so are made in advance with the Employer. It is the intention of the parties that earned vacation days not be forfeited in this situation.

- 9.5 Work on Holiday:** An employee who qualifies for holiday pay under Paragraph 9.2 of this Article and who works on a holiday listed in Paragraph 9.2 of this Article shall be compensated in accordance with the overtime provisions of this Agreement in addition to such holiday pay. An employee who does not qualify for holiday pay but who works on any such holiday shall be compensated in accordance with the overtime provisions of this Agreement.
- 9.7 Failure to Report:** If an employee is schedule to work on any holiday and fails to report for work, except where such failure to report is due to one of the reasons listed in Section 9.5 (c) above, he shall not be entitled to holiday pay for that holiday.

CLARIFICATION OF THE MEMORANDUM OF INTERPRETATION OF ARTICLE 9 -HOLIDAYS

I. EMPLOYEES WITH SENIORITY

Employees with seniority will be paid Holiday Pay if they have either:

- (a) worked the day prior to and the day after the Holiday or;
 - (b) is laid off for "lack of work" within *ten (10) regularly scheduled work days before the Holiday, and is recalled to work within *ten (10) regularly scheduled work days after the Holiday.
- * 1980 Negotiation Change.

II. EMPLOYEES WITHOUT SENIORITY

Employees without seniority will be paid Holiday Pay if they have:

- (a) been in the continuous employ of the employer for 30 Calendar* days prior to the Holiday and;
 - (b) worked the day prior to and the day after the Holiday.
- * 1980 Negotiation Change.

III. EXCEPTIONS TO SECTION I & II ABOVE

Employees will receive Holiday Pay in spite of non-compliance with Sections I(a) and II(b) above if:

- (a) they have been retained on "stand-by-status" or "on the hook" by the Employer,
- (b) they are off due to an industrial accident that occurred sometime during the five regularly scheduled work days prior to the Holiday.
- (c) they are off due to a bonafide illness covered by a doctor's certificate, or other evidence of illness which occurred sometime during the five regularly scheduled work days prior to the Holiday or
- (d) they are off for any other absence excused by the Employer, providing the excused absence commenced sometime within the five regularly scheduled work days prior to the Holiday.

NOTE: L/M Meeting of 6/23/81 includes Jury duty in this Section.

IV. TARDINESS AND EARLY LEAVES

Employees' requests for early leaves on the day before the Holiday or tardiness on either the day before or after the Holiday shall be considered on the merits of each individual case and the "rule of reasonableness" will apply.

V. DEFINITIONS

- (a) **EMPLOYEES WITH SENIORITY** means Employees who have established seniority, prior to the Holiday, in accordance with and as defined in Article 3.5 of the Pacific Coast Master Agreement, the Pacific Coast Marine Carpenters Agreement, the Supplemental Agreement with the I.A.M., and the I.B.E.W. Pacific Coast Agreement, included in the Pacific Coast Master Agreement for the purpose of this Article.
- (b) **LAID-OFF** means actual written termination by the Employer.
- (c) **STAND-BY STATUS OR ON THE HOOK** means not on lay-off status, as defined, but requested to stand-by for recall to work, and shall be considered to be an Active Employee of the Employer during this period and shall be strictly voluntary.

The Employer agrees to notify the Union(s) when employees are placed on Stand-by Status or On The Hook. Under no circumstance shall the Employer leave employees on Stand-by Status or On The Hook longer than two weeks unless the individual, the Union(s) and the Employer mutually agree to extend the period. The Employer also agrees to notify the Union(s) when employees return to work after being placed on Stand-by or On The Hook.

ARTICLE 10: VACATIONS

- 10.1** All employees covered by this Agreement shall receive vacations with pay.
- 10.2** **Computation of vacation pay:** Vacation pay shall be computed at the following percentages of the actual hours worked (except as to second and third shifts) multiplied by the employee's established straight time hourly wage (exclusive of shift premiums) being received by the employee calculated on a daily basis and accumulated until the vacation is paid. Vacation pay will be treated separate from other types of pay and wages for the purpose of withholding taxes except in the case of termination.
- (a) First year period: Three (3) percent as computed above.
 - (b) Second year period: Three and one-half (3 1/2) percent as computed above.
 - (c) Third year period: Four (4) percent as computed above.
 - (d) Fourth year period: Four and one-half (4 1/2) percent as computed above.
 - (e) Fifth year period: Five (5) percent as computed above.
 - (f) Sixth year period through fifteenth year period: Five and one-half (5-1/2) percent as computed above.
 - (g) Sixteenth year period through nineteenth year period: Seven and one-half (7-1/2) percent as computed above.
 - (h) Twentieth year period and thereafter: Eight (8) percent as computed above.
- 10.3** For the third full shift worked, an employee shall be credited with eight (8) hours in computing his vacation allowance.
- 10.4** To advance from one (1) year period percentage to the next higher, as above provided, an employee is required to accumulate one thousand (1,000) hours or more in the employ of the Employer in any vacation year.
- Time lost due to an industrial accident in any vacation year not to exceed six (6) months shall be credited at the rate of forty (40) hours per week toward the minimum one thousand (1,000) hours required to advance to the next year's period percentage. Years of service need not be consecutive regardless of method of termination.
- 10.5** The vacation year for vacation pay, time and hours worked shall start as follows:
- (a) New Employees: anniversary date of employment.
 - (b) Employees on payroll at effective date: existing anniversary date.
 - (c) Rehired Employees hired within one (1) year of anniversary date: anniversary date of first employment.
- 10.6** Vacation periods or vacation pay are not cumulative from year to year and the vacation shall be taken at a time mutually agreeable between the Employer and the employee.
- 10.7** Vacation pay accruing to an employee within his vacation year as described above shall be paid to said employee upon completion of his vacation year; unless said employee is leaving the area or upon termination, in which event he shall be paid in full such vacation pay as may have accrued to him under the terms of this Article.

ARTICLE 11: NO LIMIT OF PRODUCTION

- 11.1** There shall be no contract, piece or task work, nor shall there be a limit on, or curtailment of production or any self-imposed restrictions placed or imposed by any Union.

ARTICLE 12: DIRTY WORK

- 12.1** **Dirty Work:** Employees required to work where unusually dirty conditions exist relative to normal shipyard conditions in tanks, bilges, sumps, or under floor plates where oil or water has accumulated, or in boilers, uptakes, or

stacks, or in machinery spaces where unusually dirty conditions exist, shall receive one half (1/2) additional hour of straight time pay for all hours so employed.

- 12.2 Human, Animal and Biological Waste:** Employees required to work in tanks, or break into tanks or related wet or dry systems containing Human, Animal and Biological waste, shall receive one (1) additional hour of straight time pay for each hour worked, and shall continue to receive such penalty pay until they are allowed to shower or clean up. Clean up shall be on the Employer's time and shall be paid at the employee's applicable rate of pay for the day. This shall be in accordance with Article 16.6(b).

ARTICLE 13: MAINTENANCE WORK

- 13.1** The Employer may use its own employees to perform repair, alteration, new construction, and maintenance construction at its facilities, and such employees will receive the wages and conditions contained in this agreement.

This understanding is intended as a means to help in retaining bargaining unit employees on the active payroll during periods of low employment.

ARTICLE 14: REPORTING PAY AND MINIMUM PAY

- 14.1** Employees starting a shift or called and starting to work after the starting time of a shift shall receive not less than four (4) hours pay for the first period of the shift; and if required to continue on second period of the shift, they shall receive pay for a full shift.
- 14.2** Employees required to report for work not continuous with their regular assigned shift hours, or on Saturday, Sunday and holidays, shall receive not less than four (4) hours' straight time pay including shift differential.
- 14.3** Employees required to report for work and not used shall receive four (4) hours straight time pay.
- 14.4** The foregoing (14.1, 14.2 and 14.3) shall not apply where an employee is not put to work because of bad weather or breakdown on machinery, except that this shall not be construed to cover failure to have work or vessel available.
- 14.5** Employees who voluntarily quit, lay off or are discharged for cause shall be paid only for actual hours worked.
- 14.6** Employees not at work on the day a shutdown or layoff occurs shall be considered to have received notification of such shutdown or layoff that they would have received if they had been working. The employer will make a good faith effort to notify the affected absent employee(s) of such shut down or layoff.
- 14.7** In the event the foreman requests the employee who has reported for work at his regular starting time and in unworkable weather to remain on the premises with the expectancy of starting work later if the weather clears, such employee shall be paid for such waiting time, which in no case shall be less than four (4) hours pay at his applicable rate of pay.

ARTICLE 15: JURY DUTY

- 15.1** An employee having seniority and on the active payroll, having been regularly employed and required by law to serve as a jurymen shall upon satisfactory proof to the employer of such service rendered, be reimbursed by the employer for his work time lost on the basis of the difference between his straight time day shift hourly job classification rate and his jury pay (excluding travel allowance), provided, however, such employer reimbursement shall not be applicable to any period of time during which said employee-jurymen did not perform work for the employer other than when prevented from doing so solely because of said jury service, and further provided that such employer reimbursement is, in no event, to be applicable for a period of more than eight (8) hours in a standard work day, nor more than five (5) days in a standard work week.
- 15.2** In applying the foregoing, it is understood that if an employee is called for jury service, responds to the call, and loses time, but is not accepted for service or serves and is relieved therefrom by the middle of his work shift, the employee will be reimbursed by the employer for his work time lost on the basis of the difference between his straight-time day shift hourly job classification rate and his jury pay (excluding travel allowance), provided he returns to his job immediately, and promptly reports these facts to the employer; provided further that if an employee works his regular shift in addition to performing jury duty, he shall not be paid by the employer under the provision of this article.

ARTICLE 16: SAFETY, SANITATION, VENTILATION AND PHYSICAL EXAMINATION

- 16.1** The Employer will exert every reasonable effort to provide and maintain safe working conditions and shall comply with all federal and state Safety and Health Laws and Regulations. The Unions will cooperate to that end and

encourage their members to work in a safe manner. To that end, a Safety Committee shall be established to be composed of a minimum of three (3) and a maximum of five (5) representatives designated by the Employer, and a minimum of three (3) and a maximum of five (5) representatives designated by the Unions, which committee shall assist, make recommendations to and cooperate with the safety man of the Employer. The employees designated for this committee shall be employees who have knowledge of the practices of the yard and who have worked for the Employer a minimum of one (1) year. The functions of such committee shall be advisory only. This committee should meet once a month on Employer's time with minutes of the meeting prepared by the Employer and a copy thereof furnished to the Unions. It should be understood, that while the Union will cooperate and participate with the Company in providing a safe work environment, it is Management's exclusive responsibility to carry out the administration of the Safety Program.

- 16.2 Safety:** All staging, walks, ladders, gangplanks and safety appliances shall be constructed and removed in a safe and proper manner by competent shipwrights. On vessels that are moored alone or abreast where the combined total of persons is 200 or more, no less than two (2) gangplanks will be provided; any combined totals of less than 200, at least one gangplank will be used when practicable.
- 16.3** The Employer shall provide covered transportation with sufficient seating accommodations for employees to be transported to and from jobs away from the yard or shop. No material or equipment not safely secured shall be transported in the same compartment of the truck with employees. Trucks shall not be overloaded.
- 16.4** The Employer shall furnish suitable guards around welders for the protection of employees' eyes.
- 16.5** Prompt ambulance service and first aid to injured employees shall be provided on all shifts and a safety man shall be employed and made responsible for the proper enforcement of safety rules. All First Aid personnel shall be identified and signs indicating location of First Aid Stations shall be posted.
- 16.6** (a) An employee suffering an industrial injury who is advised not to resume work by a Nurse, First Aid attendant or by a Physician to whom he has been referred, shall be paid on his usual basis, pursuant to the terms of this Agreement, to the end of the shift on which the injury occurred. If such employee had reported such injury immediately following its occurrence to the Nurse, First Aid attendant or Physician and had completed working during the shift during which he was so injured, and on the following day, after reporting for work, is advised by the Nurse, First Aid attendant or Physician not to continue work because of said injury, he shall be paid to the end of said shift.
- (b) When an employee's clothing or body becomes soaked or contaminated with human waste, water or oil due to circumstances beyond his control, and when the incident is properly reported, the employee shall be given the opportunity on the Employer's time to clean up and change clothing. When circumstances require the employee to leave the yard or job site (outside job) he shall be compensated (not to exceed two (2) hours) at the normal straight time rate. If the incident occurs less than two (2) hours before the end of the shift he shall be paid at the straight time rate until the end of the shift.
- 16.7** The Employer shall notify the respective Union not later than the end of the next regular working day of lost time accidents to any of its members that necessitated confinement in any hospital or clinic, providing the Employer has knowledge of such confinement.
- 16.8 Sanitation:**
- (a) Suitable individual lockers with locks, washrooms and drinking water shall be furnished by the Employer.
- (b) All toilets and washrooms shall be kept in a clean and sanitary condition, properly heated and ventilated, and adequate quarters with heat and hot water shall be provided for employees to change and dry their clothes. Lunch areas with benches and tables shall be provided and shall be separate from toilet facilities.
- 16.9** Where noxious or poisonous gases may accumulate, the Employer shall provide proper protection and ventilation. Proper lighting and ventilation shall be provided for all enclosed working spaces. No unsafe spray painting shall be performed in confined or restricted spaces.
- 16.10 Physical Examination:** There shall be no Doctor's physical examination nor age limit, except as required by law. Unless required by law, no employee shall be compelled to pay hospital or examination fees in the course of employment or as a condition to secure employment. No applicant shall be unlawfully discriminated against in

employment as a result of a physical exam. Pre-employment physicals shall be paid in full by the company, but the applicant shall not be paid for his time. Blood and/or urine tests shall not be part of the pre-employment physical.

- 16.11** Where employees are assigned to work in confined spaces as described by OSHA for shipbuilding, ship repairing and ship scrapping as published in the Bureau of Labor Standards, frequent checks for the employee's safety shall be made. If and as required by OSHA, a blood and urine test will be provided by the Employer at no cost to the employee.
- 16.12** Existing practices with respect to providing special protective devices and equipment in order to protect employees from injury will continue in effect during the term of this Agreement. Where conditions of work are such as to require special protective devices and equipment in order to protect employees from injury, such devices and equipment will be supplied by the Employer at its expense. Protective devices and equipment so furnished shall not be taken from the property of the Employer except with specific authorization for use while at work for the Employer.
- 16.13** When an Occupational Hygienist is used, the Employer will make available the person's name and address to the Union, upon their request.
- 16.14** The Company and the Union agree on the objective of maintaining a safe working environment, including maintaining a work place that is alcohol and drug free. It is agreed that the use, sale, distribution, or possession of illegal drugs or alcohol on Company premises shall be the grounds for immediate discharge. It is understood, however, that there shall be no random testing on employees covered under this Agreement. It is further understood that the Company will provide, at no cost to the employees, an Employee Assistance Program, which includes assistance through counseling for alcohol and drug dependency, as well as other related personal and family problems that adversely affect an employee's job performance, and that any disciplinary action taken would be subject to Article 23, Grievance Procedure. All drug tests discussed below shall be accomplished through urinalysis and alcohol tests through either urinalysis or breathalyzer.

In order to clarify the language contained in 16.14 above, the following is agreed to by the parties signatory hereto:

1. It is understood that drug testing may be part of the pre-hire program. Any applicant that has failed a pre-hire test, who demonstrates that he/she has been evaluated by a certified treatment facility and has satisfactorily completed the treatment that was recommended by the treatment facility, shall become eligible for hire upon the successful completion of another pre-hire drug test. The second test shall be at the employee's expense.
2. Testing employees for drugs and/or alcohol may be accomplished when the employer has reasonable suspicion to believe that an employee may be under the influence of drugs and/or alcohol. Reasonable suspicion must be based on specific personal observations that an employer representative can describe concerning the appearance, behavior, speech, or breath odor of the employee. Reasonable suspicion must be based on direct, first hand observations by an employer representative who shall have received training in substance abuse detection. These observations shall be documented in writing at or near the time of observation but not more than twenty-four hours from observation. The employer shall contact the appropriate shop steward or Business Representative prior to the testing of any employee. Documentation resulting in an employee being tested will be provided on demand in a timely manner to the appropriate Union representative.
3. Post accident drug and alcohol testing may be performed on all employees involved if said accident resulted in a fatality or bodily injury to a person which required medical treatment away from the site. Approval for employee drug testing must be for good reason and be directed by the Director of Human Resources or his designated representative from the Human Resources Department. All positive results must be reviewed by a Medical Review Officer.
4. Any employee with a positive drug test will be given an opportunity, based on the circumstances, to enter the Employer's E.A.P. Any employee who tests positive and who the Employer is going to discharge will first receive a suspension pending an investigation by management and the appropriate Union representative.
5. Any employer drug/alcohol testing policy must conform to the Drug Free Workplace Act, Subtitle D of Title V of Public Law 100-690, and the Federal Acquisition Regulation Interim Rule (DOD FAR Supp 252.223-7500) implemented by the Department of Defense.
6. Testing for drugs on employees or pre-hire drug testing in accordance with this Article will not be implemented until the Joint Labor/Management Committee agree on the testing procedures.
7. Any and all costs of testing will be paid by the Employer.

8. Any drug testing program must apply to subcontractors as well as employees. To this extent the requirements of the Drug Free Workplace act and the Federal Acquisition Regulation Interim Rule (DOD FAR Supp 252.223-7500) implemented by the Department of Defense shall be part of all subcontracts issued at Todd.
9. Individual participation in this program shall be held in the utmost confidence.
10. The employer will give the Joint Labor/Management Committee 45 days notice of an intent to change the collection site and laboratory used in the Drug Testing Program.

ARTICLE 17: UNION REPRESENTATIVES

- 17.1** The Business Representatives of the various crafts shall have access to the Employer's shipyard and shipyard shops by applying for permission through the designated office, provided they do not interfere or cause employees to neglect their work. The Employer will exert every effort to insure access to work sites outside the shipyard by business representatives.
- 17.2 Shop Stewards:** It is recognized by the Employer that Shop Stewards are desirable for the proper administration of the terms of this Agreement. The Employer also recognizes that it is desirable that the person designated as Steward shall receive his fair share of the work that he is qualified to perform. In no event shall the Employer discriminate against a Steward in the matter of overtime, layoffs, or rehires or discharge him on account of the proper performance of his duties. Twelve (12) hours advance notice will be given individually to the Steward if he is to be laid off. Every effort shall be made to deliver such notice during regular shift hours. However, notice of lay off may be given during the off shift by telephone or telegram, for circumstances beyond the control of the employer. There may be designated by each Union one (1) Chief Shop Steward on each shift who will be granted super seniority during his respective term of office. Such Chief Shop Steward shall have at least one (1) year of seniority and be qualified to perform the work available. There may be one chief shop steward per Union at the Puget Sound Naval Shipyard work site.

Shop Stewards shall have at least six (6) months of work experience with the Employer as far as practicable. It is the intent of the Union that Shop Stewards shall be selected with a view to their having first-hand knowledge of the Employer's work and the collective bargaining agreement.

- 17.3** The Employer will not in any way discriminate against any shop steward or committee man for presenting any complaint, dispute or grievance to their foreman or department head or to the personnel department in the manner provided for in this Agreement.
- 17.4** The Union shall advise the Employer of the name or names of Shop Stewards currently elected or appointed. The full grievance procedure as set forth herein shall be available to any Union which feels that its Shop Stewards have been discriminated against. It shall be the intention of the Employer not to allow the congregation, by assignment, of several Stewards in one designated work area, but to keep them, as reasonably as possible, spread out in a manner to cover all the work areas of their appropriate Union's jurisdiction.

ARTICLE 18: PAY DAY

- 18.1** Pay day shall be weekly and in no case shall more than one (1) week's days' pay be held back. Employees shall be paid prior to the end of the assigned shift, exclusive of the lunch period.
- 18.2** (a) It is the intent of the Employer that in case an Employee is laid off, discharged, or voluntarily terminates his employment, he shall receive his pay no later than the next regularly scheduled pay day, or in compliance with state law, whichever is sooner.
- (b) Any error in an Employee's paycheck amounting to at least two hours' pay shall be corrected and paid by the Employer within three (3) working days from the time the error was brought to the Employer's attention. In the event the Employee's pay is not corrected by the next regular payday applicable to the pay period in which the Employer was notified of the error, the employer shall pay penalty pay of two (2) hours at the employees shift rate of pay per payroll period thereafter until the error is corrected.
- (c) The Employer, upon the request of an Employee, shall mail the Employee's final paycheck to the address stated by the Employee, provided that the Employee has returned or accounted for all company-issued property.
- 18.3** Second shift employees are to be paid on Thursday each week and third shift employees no later than Friday morning.

If Christmas Day and the day before/after Christmas Day, and New Year's Day and the day before/after New Year's Day fall on Monday and Tuesday, pay day shall be on Friday for all shifts.

18.4 Every seniority employee shall have the right to direct deposit, via electronic funds transfer, his/her pay

This option is available to all employees with seniority.

The election of electronic funds transfer (EFT) is indefinite, though for a minimum of twelve months. Under extraordinary circumstances and subject to the approval of Human Resources, the employee may opt out of EFT in less than twelve months. If an employee opts out of EFT he/she must wait an additional twelve months before again qualifying for this election.

During any twelve-month period, the employee may change funds transfer election or direction one time.

The employee may transfer funds to two checking accounts and two savings accounts; the maximum number of financial institutions, then, is four, with one account at each. During any twelve-month period, the employee may make one change in his or her election, for up to four accounts.

ARTICLE 19: TRAVEL TIME, OUT OF YARD AND OUT OF TOWN WORK AND TRIAL TRIPS

19.1 When employees are sent to work away from the yard or regular place of employment, they shall be paid their regular shift pay while traveling, except in the case of traveling to or from the yard or regular place of employment before the regular starting or after the regular quitting time of their shift; in such cases they shall receive pay at the established overtime rate.

19.2 If employees are sent to work out of town, they shall receive first class board (meals), lodging and transportation. Coach will be acceptable as first class air transportation.

19.3 If employees are required to travel on overtime days, they shall be paid travel pay at the established overtime rate.

19.4 Not more than eight (8) hours pay shall be paid for travel time in any one (1) day of twenty-four (24) hours computed from the starting time of the employee's regularly assigned shift.

19.5 Out of Yard Work, Trial Trips, Traveling Time policies shall remain as presently agreed to by the parties, unless otherwise mutually changed. This policy shall be attached to and made part of this agreement.

ARTICLE 20: WELDING

20.1 It is recognized that the autogenous processes of welding, burning and silver brazing are tools of the trades signatory to this Agreement, and the rates of pay shall be the same as the trades affected. Employees required to take a test shall be paid for the time consumed in the test, if they pass it successfully. Whenever an employee is required to take a test, the Employer shall notify the employee's local Union of the results of such test in writing within thirty (30) days from the date of the test. The letter will specify the agency and type of test, date of test, and the name of the inspector or the individual supervising the test. This letter will be signed by an authorized company representative. These shall be individual letters on each employee.

20.2 Where U.S. Certificate is required by the U.S. Coast Guard or other recognized agency for welding on pressure vessels, boilers and class 1 piping, as defined in the U.S. Marine Engineering Regulations and Material Specifications, the rate of pay shall be an additional thirty-five (35) cents per hour, over and above the standard mechanic's rate, for all time assigned to such certified welding jobs.

ARTICLE 21: APPRENTICE AND TRAINEE PROGRAM

21.1 In order that an adequate supply of competent, skilled craftsmen shall be available at all times, it is agreed between the Parties hereto that an Apprentice and/or Trainee program including safety, shall be established by the craft Union and the Employer. Such an Apprentice and/or Trainee program shall not conflict with Federal or State Apprenticeship laws. All existing Apprentice and Training programs shall remain in effect until changed by mutual agreement of both parties.

ARTICLE 22: STRIKES AND LOCKOUTS BARRED

22.1 There shall be no lockouts on the part of the Employer or suspension of work on part of the employees. This Agreement is a guaranty that for its duration there will be neither strikes nor lockouts, and that all complaints, grievances or disputes arising under its provisions will be settled pursuant to its grievance machinery, Article 23 "Grievances and Complaints" and Article 24 "Arbitration of Disputes."

ARTICLE 23: GRIEVANCE AND COMPLAINTS

23.1 The grievance procedure shall be as follows:

STEP 1. The shop steward or committeeman shall call any complaint, dispute or grievance to the attention of the foreman or department head within five (5) working days from the time it arises, or should have been reasonably known to exist. If the complaint, dispute or grievance is not adjusted within two (2) working days after it is presented to the foreman or department head, the shop steward or committeeman shall report such complaint, dispute or grievance in writing over the signature of the complainant to his respective Business Representative. Such complaint, dispute or grievance shall be submitted to the personnel department's representative or other official designated by the Employer over the signature of the Business Representative within twelve (12) working days from the date the complaint, dispute or grievance arose. However, this does not preclude the Business Representative from reporting such complaint, dispute or grievance directly to the personnel department's representative or other official designated by the Employer. Within five (5) working days after the personnel department's representative or other official designated by the Employer receives a communication in writing from the respective Union alleging violations of this collective bargaining agreement, the Employer shall reply to the communication, in writing. Any settlement reached in Step 1 shall be final and binding.

STEP 2. Within five (5) working days after the Employer replies to the communication from the respective Union alleging a violation or violations of this collective bargaining agreement, a Business Representative of the Union and the Director or Assistant Director of Personnel and Labor Relations or other official designated by the Employer shall meet for the purpose of adjusting such complaint, dispute or grievance. Any final decisions reached by the Employer Representative and the Union Business Representative shall be reduced to writing. Any settlement reached in Step 2 shall be final and binding.

STEP 3. If no agreement is reached in Step 2 within ten (10) working days, the parties may by mutual agreement, submit the grievance in writing to a grievance panel composed of two members from Labor, to be selected by the Union, and two members from Management to be selected by the Employer, requesting a Grievance Committee hearing or they may proceed to Step 4 of this Article. The Committee members shall not be from the Union or Company involved.

Any complaint, dispute or grievance not submitted in writing requesting a Grievance Committee hearing, or not referred to the next step of this grievance procedure within ten (10) working days, shall be regarded as waived unless the parties otherwise agree in writing. The Grievance Committee shall meet within ten (10) working days of receipt of such request. A decision by a majority of the Grievance Committee shall be final and binding on both parties. This decision shall be reached by secret ballot. In the event that the Grievance Committee fails to render a decision within (10) working days from their first meeting date, either party may within ten (10) working days give written notice to the other party of arbitration. The parties may mutually agree to extend the time limits.

STEP 4. In the event the grievance is not settled as above provided, either party may submit the grievance within five (5) working days following the expiration of the time limit provided in Step 2 to the International President of the Union, or his duly designated representative and a company representative duly selected by the Employer, for consideration and possible settlement. If a settlement is reached, it will be final and binding upon the Parties and shall be reduced to writing.

STEP 5. If no satisfactory solution eventuates from Step 4 within twenty (20) working days, then either Party may within ten (10) working days thereafter give written notice of arbitration to the other Party.

23.2 Any complaint, dispute or grievance not brought up or carried forward to adjustment or arbitration as provided for in this Article shall, unless the Parties otherwise agree in writing, be regarded as waived.

23.3 No employee shall refuse to work or otherwise curtail production or engage in any slow down or interfere with Employer's operation because of any complaint, dispute or grievance which he may have.

23.4 If the Employer has any complaint, dispute or grievance with any Union or any employee covered by this Agreement, the Employer shall likewise avail itself of any or all of the foregoing grievance procedural steps.

ARTICLE 24: ARBITRATION OF DISPUTES

24.1 In the event the Parties shall be unable to adjust any complaint, grievance or dispute involving the express terms of this Agreement, such complaint, grievance or dispute shall be referred to an impartial arbiter selected from a panel, mutually agreed upon by the Parties, in each respective Port. The panel shall be utilized only in the Port selecting said panel. The panel will consist of no more than five (5) and no less than three (3) impartial arbiters. The panel may be

modified from time to time by mutual agreement of the Parties in each respective Port. If the Parties are unable to agree on a specific arbiter from the panel, then the Party desiring to arbitrate shall send a request by mail to the Director of the Federal Mediation and Conciliation Service requesting the Director to furnish a list of five (5) arbiters. Each party shall have the right to strike a total of two (2) names from the list, and the right to strike first shall be determined by lot, or as otherwise agreed by the Parties, and each party shall alternately strike one (1) name. The name remaining on the list after each Party has stricken two (2) names shall be the impartial arbiter.

The Employer and the Union or Unions involved shall equally pay the arbiter's fee, the cost of any hearing room and the cost of a court reporter, if requested by the arbiter. All other expenses shall be paid by the Party incurring such expense.

The decision of the arbiter shall be final and binding upon the Parties. Such decision shall be limited to interpretation and application of the express terms of this Agreement and shall not change or add to any of its terms or conditions. In his decision, the arbiter shall specify whether or not the decision is retroactive and the effective date thereof.

- 24.2** Awards or settlements of grievances may or may not be retroactive as the equities of each case may demand, but in no event shall any arbitration award be retroactive beyond thirty (30) calendar days prior to the date on which the grievance was first presented to the Employer unless agreed to by both parties; provided however, that this provision shall not have any application to grievances pertaining to the payment of either the fringe benefits provided for in this Agreement or the wage scales for the various classifications set forth in Schedule "A" of this Agreement.

ARTICLE 25: JURISDICTIONAL DISPUTES

- 25.1** The Unions agree that in the event any jurisdictional dispute shall arise between the Unions signatory to this Agreement, with respect to the jurisdiction of work on any classification of employment, whether or not included in the schedule attached hereto, such dispute shall be settled by the Unions in accordance with the then current Jurisdictional Policy of the Metal Trades Department, AFL-CIO which provides that pending the adjustment of a jurisdictional dispute there will be no stoppage of work. It is agreed that the Unions involved in such jurisdictional disputes shall be primarily responsible for the prevention of a stoppage of work because of jurisdictional dispute.
- 25.2** Upon notification by the effected local Unions of a resolution of the jurisdictional dispute as per the Metal Trades Jurisdictional policy, the employer shall take immediate action to adjust the assignment of work accordingly. The employer's failure to adjust the assignment of work as set forth herein will be subject to Article 23 & 24.

ARTICLE 26: CONTINUOUS IMPROVEMENT PROCESS

- 26.1** The Company and Unions agree to jointly support a proactive Continuous Improvement Process the goal of which is to improve all company work practices and methods in order to eliminate inefficiencies and reduce the cost of performing work; thereby allowing the company to be more competitive in the regional and global marketplaces.

Changes in technology applied in the shipyard and/or improved work practices and methods will be discussed by all concerned parties prior to introduction.

To fully implement the Continuous Improvement Process the Company and the Unions agree that the Company must organize, manage and perform all jobs in the most efficient fashion. To allow this goal to be attained, the parties agree to the following:

26.2 COMPOSITE CREWS

The unions and the employer recognize the need for the company to organize jobs on a composite crew basis, thereby improving efficiencies, reducing costs and standby time and increasing the competitive position of the organization. The parties agree to the use of Composite Crews where such crews will reduce the overall cost of doing work. Composite Crews shall be defined as crews comprised of traditional craft members who, by their craft jurisdiction, would be called upon to perform the work without regard to their specific craft jurisdiction to accomplish the total job.

Situations that lend themselves well to Composite Crews include such work processes as: shafting removals, blasting and painting, integrated outfitting, work situations such as small/short duration or remote location jobs on a vessel and lean repair operations. These examples are not intended to be all inclusive or an exhaustive list outlining the intended application.

In the process of evaluation, each job may be assigned a lead craft for the purpose of supervising and organizing work. It will be the responsibility of the lead craft to meet budgets, schedules and direct composite teams in the completion of jobs.

The Employer will notify the affected Local Unions and the Executive Secretary of the Puget Sound Metal Trades Council of planned composite crews with the intent of giving the unions an opportunity to meet and discuss the work to be accomplished prior to implementation.

26.3 CRAFT ASSIST

The parties agree to a program of craft assistance. It is the intent of the employer to maintain the traditional craft functions within the yard; however, it is recognized and understood that inefficiencies and standby time are detrimental and are not desired by either party, and are to be eliminated whenever possible.

Craft assistance shall mean a craft performing or assisting in the performance of work items not traditionally assigned to his/her respective craft for limited durations of time.

Reduction of standby time shall mean the minimization of those periods of time spent waiting for another craft to appear to perform a task that is incidental to the main task being performed and those limited periods of time spent waiting to perform a task that is incidental to the main task being performed.

Incidental shall be defined as work that is casual, unplanned and/or less than two (2) hours in duration. It is not the intent of the Employer to divide work assignments into periods that are two hours or less for the purpose of circumventing traditional jurisdiction.

It is the agreement of the parties to minimize standby time by providing for the concept of craft assistance.

The intent of this proposal is the elimination/reduction of stand-by time. Jobs requiring full-time assignment would still be performed by the traditional craft or by a composite crew made up of members of traditional crafts.

The parties recognize the importance of efficiency when performing repair and overhaul work. To facilitate this, the company may retain seniority workers, assigned to specific items, out of seniority until the items have been completed, not to exceed seven (7) work days. This practice shall be limited to Todd Seattle (Harbor Island) Yard. The Employer will make every reasonable effort to place the most senior employees on the items.

The Unions and the Employer may work together to develop a bonus plan or plans that would reward the employees for their performance on a particular job or group of jobs.

The parties agree to the principal of one craft assisting another as indicated in the following non-exclusive list of examples, many of which are currently being practiced in the shipyard:

1. LIFTING DEVICES AND/OR EQUIPMENT

The Riggers would hang the chainfall and rig the lift. After this is done, the appropriate craft, working on the job, would operate the chainfall as required. When the job is completed, the craft would return the chainfall to its proper location.

2. INTERFERENCES

The craft working on the job would be allowed to remove (and subsequently re-install when feasible) interferences, such as a floor plate, insulation, a non-energized panel, incidental piping or furniture.

3. MOVEMENT OF TEMPORARY LIGHTING

After installation by the Electricians, any craft will be allowed to move the lighting in the work area as determined by the needs of the job. Final removal would be accomplished by the Electricians.

4. FUELING VEHICLES AND EQUIPMENT

The craft driving the fuel vehicle would be allowed to perform the fueling of equipment when necessary.

5. INSTALLATION OF ZINCS

This work could be accomplished by either Boilermakers or Machinists.

6. MOVEMENT OF TEMPORARY VENTILATION

This work would be accomplished in the same manner as covered in paragraph three (3) TEMPORARY LIGHTING.

7. TACK WELDING AND BURNING

The parties recognize that tack welding and burning are the jurisdiction of the Boilermakers. The parties agree to work together to reduce standby time by providing for craft assistance in certain situations. It is agreed that tack welding and/or burning may be accomplished by crafts other than the Boilermakers when tack welding and/or burning is incidental to the job assigned to those crafts.

8. WORK AREA CLEAN-UP

Clean-up of an employee's own work area would be permitted by all crafts.

9. USE OF TORCHES

Permitted by all crafts.

All employees will be expected to accept direction and work in accordance with the spirit and intent of this agreement. Alleged abuse of these provisions shall be subject to the grievance procedure

26.4 The provisions of this section of the General Agreement shall be equally binding upon the Employer and the Unions.

ARTICLE 27: HEALTH, WELFARE AND PENSIONS

27.1 Effective August 1, 2008, the Employer will pay the dollar per hour amounts as designated by the individual Unions, not to exceed the total dollar amount negotiated between the parties to this agreement, on actual hours worked to the applicable jointly administered Trusts. The allocation of monies among the various benefit trusts may be changed at any time by an individual union through the Pacific Coast Metal Trades District Council by serving written notice upon the Employer. The change in allocation for the trust(s) involved will be made effective upon the next regularly scheduled payment date after receipt of notice.

27.2 The Employer will pay additional fringe monies with allocation of these fringe increases to be determined by the International Unions, to apply to Health and Welfare, Dental, Pensions or whatever other fringe an International or Local Union may want the money to apply, with the exception of Holidays and Vacation which must be applied uniformly to all crafts.

Increased fringe monies are effective as follows: See Schedule "A"

27.3 Failure to Make Payments. Upon the failure of the Employer signatory to this Agreement to make any of the payments required by this Article, the Unions, or any of them, may undertake economic action against such defaulting Employer to enforce prompt payment, and such action shall not be deemed to be a violation of this Agreement or any of the provisions thereof.

27.4 It is the joint responsibility of the Employer and the Unions, signatory to this Agreement, to instruct the Trustees of the applicable Pension Plans to take appropriate action to eliminate any unfunded liability that currently exists or unfunded liability that develops during the term of this Agreement as soon as practical.

27.5 The Company will make authorized 401(k) payroll deductions for a qualified plan designated by the Metal Trades provided it can be accomplished legally.

ARTICLE 28: TOOLS

28.1 Employees will be furnished tools. They shall use all reasonable care in the use of tools and return them to the custody of the Employer when no longer used. Employees shall have sufficient time prior to the end of each shift to put away tools on the Employer's time.

Determination of sufficient time shall be at the Employer's discretion.

28.2 If the Employer fails to furnish tools, then the Employer shall pay each employee fifteen (15) cents per hour for tools furnished by employees.

28.3 The Employer has the right to take action against those employees who misuse property supplied to them by the Employer.

ARTICLE 29: WARRANTY OF AUTHORITY

29.1 The officials executing this Agreement in behalf of the Employer and the Unions signatory hereto hereby warrant and guarantee that they have the authority to act for, bind and collectively bargain in behalf of the organizations which they represent.

ARTICLE 30: SAVING CLAUSE

30.1 Should any part hereof or any provision herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation or by any decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof; provided however, upon such invalidation the Parties agree immediately to meet and negotiate such parts or provisions affected. The remaining parts or provisions shall remain in full force and effect.

ARTICLE 31: COST OF LIVING ALLOWANCE

(This Article 31 is not in effect during the life of this 2008 Agreement.)

31.1 For purposes of this Article:

- (a) "Consumer Price Index" refers to the Consumer Price Index for Urban Wage Earners and Clerical Workers (including single workers) published by the Bureau of Labor Statistics, U.S. Department of Labor (1967=100) for the U.S. City Average.
- (b) "Consumer Price Index Base" refers to the Consumer Price Index for the month of May, 1993 (The May Consumer Price Index is customarily published by the Bureau by the last week of June).
- (c) "Change in the Consumer Price Index" is defined as the difference between (i) the Consumer Price Index Base and (ii) the applicable Consumer Price Index, (MINUS ANY COST OF LIVING ADJUSTMENT, IF ANY, PREVIOUSLY PAID).
- (d) "Cost of Living Adjustment" is calculated as below and will be made every three months based on the cumulative change in the Index over the prior three month period, the first adjustment being effective October 1, 1993, based on the difference between the May 1993 Index and the August 1993 Index. Applying the same formula as above the remaining adjustment dates are January 1, 1994, April 1, 1994, July 1, 1994, October 1, 1994, January 1, 1995, April 1, 1995, July 1, 1995, October 1, 1995, January 1, 1996, April 1, 1996 and July 1, 1996.

31.2 Effective on each Adjustment Date, a Cost-of-Living Adjustment equal to 1 cent per hour for each full .4 of a point change in the Consumer Price Index shall become payable.

31.3 (a) The continuance of the Cost of Living Adjustment provided for in this Article is dependent upon the availability of the Consumer Price Index in its present form. In the event the Consumer Price Index in its present form becomes unavailable for any reason, the Parties shall substitute by mutual agreement any other official formula or publication issued by the United States Government.

- (b) The payment of any Cost of Living Adjustment will be made within a reasonable time after publication of the applicable Consumer Price Index and after a decision has been made to its application in accordance with Section 30.5.

31.4 When the cumulative adjustment amount reaches sixty cents, it shall be frozen for the life of this agreement.

31.5 The Employer agrees that any Cost of Living Adjustment may be applied, all or in part, to wages or a new fringe benefit or to improve an existing fringe benefit, as may be decided by a majority of the Vice Presidents representing the International Unions affiliated with the Pacific Coast Metal Trades District Council. It is understood that the implementation of any such decision as to any application of a Cost of Living Adjustment, or part thereof, to wages will be on a uniform basis among all employees represented by such International unions.

31.6 No adjustment, retroactive or otherwise, shall be made as a result of any revision which later may be made in the published figures for the Consumer Price Index for any month on the basis of which the Cost of Living Adjustment in this Article shall have been determined.

31.7 As soon as possible after the Consumer Price Index Base (The Consumer Price Index for the month of May, 1993, which would customarily be published by the last week of June, 1993) is available, the parties will prepare and supplement this Agreement with a schedule setting out the calculation of the foregoing provisions.

ARTICLE 32. EFFECTIVE DATE AND DURATION OF AGREEMENT

- 32.1** This agreement shall become effective August 1, 2008 and shall continue in full force and effect through July 31, 2013 and shall continue thereafter from year to year unless at least sixty (60) days, but no more than ninety (90) days prior to the 31st day of July 2013 or the 31st day of July of any subsequent year, either Party shall serve written notice to the other of its desire to amend, modify or to terminate this Agreement.
- 32.2** If either Party gives notice to the other as herein provided, representatives of the Employer and of the Unions shall negotiate such proposed changes without unnecessary delay.
- 32.3** Practices, customs, understandings, agreements of interpretation or agreements of any nature whatsoever, which have been previously mutually recognized at Todd's Seattle Division by the Employer and the Unions, whether expressly covered by this collective bargaining agreement or otherwise, will continue in effect unchanged until the expiration of this agreement, except as specifically modified as provided herein or by mutual agreement between the parties.
- 32.4** **Yard Closure or Relocation:** The Employer will give timely notification (normally not less than sixty (60) days) to the Puget Sound Metal Trades Council of any decision to close down the Seattle Division of Todd Pacific Shipyards Corporation or relocate its operations, and will negotiate with the Unions to develop a course of action designed to minimize any adverse impact on the members of the bargaining unit of such events.

ARTICLE 33: MILITARY CLAUSE

- 33.1** Employees enlisting or entering the military or naval service of the United States of America, pursuant to the provisions of USERRA Act of 1994, shall be granted all rights and privileges provided by the Act.
- 33.2** All employees shall be granted a leave of absence in order to fulfill their obligations to serve in the military services of the United States, active or reserve, including any state or federal National Guard.
- 33.3** Seniority employees on the active payroll who are required to report for Active Duty Reserve, National Guard Duty, or annual Reserve Duty, shall receive their regular hourly rate of pay not to exceed 80 hours (minus reserve pay) in any twelve (12) month period. Evidence of service and pay shall be presented to the Company.

ARTICLE 34: INDUSTRY AWARENESS FUND

The Employer agrees to deduct and transmit to the Industry Awareness Fund ("IAF") an amount for each hour worked from the wages of those employees who have voluntarily authorized such contributions on the forms provided for that purpose by the union. These transmittals shall occur monthly and shall be accompanied by a list of names of those employees for whom such deduction has been made, and the amount deducted for each such employee. Each Union agrees to indemnify and hold harmless the Employer from any and all claims, actions, and/or proceedings arising out of said IAF fund. The IAF contribution shall be submitted to the Administrator receiving said fund.

SCHEDULE "A" CLASSIFICATIONS 8/1/08

	Helper I	Helper II	Step I	Step II	Step III	Fringe
Carpenter	13.09	14.09	15.09	16.09	24.04	6.95
Sheetmetal	12.60	13.60	14.60	15.60	23.57	7.02
Painter	12.06	13.06	14.06	15.06	22.91	7.68
Gen Machinist	11.95	12.95	13.95	14.95	22.61	7.98
Outside Machinist	11.95	12.95	13.95	14.95	22.61	7.98
Tool Room	11.95	12.95	13.95	14.95	22.61	7.98
Pipefitter	10.96	11.96	12.96	13.96	21.91	8.76
Electrician	13.92	14.92	15.92	16.92	24.42	6.17
Warehousemen	8.95	9.95	10.95	11.95	21.32	9.27
Truck Drivers	11.05	12.05	13.05	14.05	20.60	9.99
Fork Lift Operators	11.05	12.05	13.05	14.05	20.60	9.99
Op Engineer	12.21	13.21	14.21	15.21	23.88	9.06
Stat. Engineer	10.15	11.15	12.15	13.15	21.98	10.71
Prod. Material Department					Journeyman Rate	
Shipfitter	13.65	14.65	15.65	16.65	22.60	8.06
Rigger	13.65	14.65	15.65	16.65	22.60	8.06
Dry Dock Rigger	13.65	14.65	15.65	16.65	22.60	8.06
Welder	13.65	14.65	15.65	16.65	22.60	8.06
Dock Operator					25.42	6.17
Optical Man					24.29	6.95
Laborer-On Shipboard Work					22.44	7.15
Laborer-Off Shipboard Work			16.19	17.19	21.44	7.15
Firewatch			13.48	13.48	NA	7.15
Sandblaster					23.44	7.15
Tank Cleaner					23.44	7.15
Quality Control					Journeyman +.30	
Layer-Out					Journeyman +.25	
Loftsman					Journeyman +.30	
Plannerman					Journeyman +.50	
Technical Expert					Journeyman + 1.20	
Lead I					Journeyman + 1.20	
Lead II					Journeyman + 1.65	

Wage and Fringe Increase

Increase the Journeymen III Total Package by the following rates. All sub-journeymen who are currently working or who hold seniority recall rights shall also receive the following package increases.

8/1/08	\$1.40 (Included in Schedule "A" above)
8/1/09	\$1.40
8/1/10	\$1.40
8/1/11	\$1.50
8/1/12	\$1.55

(Note: This agreement includes the payment of the proposed increase for hours worked from August 1, 2008 through September 4, 2008 and after ratification.)

ALL CRAFTS

Apprentices Per State Apprentice Standards

HEALTH & WELFARE HOURLY CONTRIBUTIONS AS OF August 01, 2008

LOCAL #	TRUSTEE	RAT E	H & W	PENSIO N	TRAININ G
LOCAL 1184 Craft 02	Marine Carpenters Shipyards & Boat Yards Pacific Shipyards Metal Trades Trust Funds Carpenters Apprenticeship & Training Trust of W. Wa	24.04	4.55	2.00	0.40
LOCAL 79 Craft 06,07,26	NW Metal Crafts Trust - Marine Machinists Western Metal Industry Pension Fund	22.61	6.00	1.98	
LOCAL 104 Craft 01,05,13 14, and 80	NW Metal Crafts Trust Boilermaker-Blacksmith Nat'l Pension Trust NW Metal Crafts Trust/Boilermakers App/Training Fund	22.60	5.25	2.66	0.15
LOCAL 117 Craft 25	Puget Sound Teamsters Welfare Trust Western Conference of Teamsters Pension Trust Pacific Coast Benefits Trust	21.32	5.63	3.64	
LOCAL 174 Craft 27	Puget Sound Teamsters Welfare Trust Western Conference of Teamsters Pension Trust Pacific Coast Benefits Trust	20.60	5.72	4.25 0.02	
LOCAL 32 Craft 08	Pacific Coast Shipyards Metals Trades Trust Fund Plumbers & Pipefitters National Pension Fund Puget Sound Marine Pipefitters Apprentices & Training Trust	21.91	4.92	3.69	0.15
LOCAL 46 Craft 09	Puget Sound Electrical Workers I.B.E.W. Pacific Coast Pension Fund Seattle Marine Electrical J.A.T. Trust	24.42	3.75	2.35	0.15
LOCAL 66 Craft 03	Pacific Coast Shipyards Metals Trades Trust Fund N.W. Employees Retirement Plan Trust Fund NW Sheet Metal Workers Pension Trust	23.57	4.95	0.52 1.55	
LOCAL 300 Craft 04	Employee Painters' Trust Fund Western Washington Painters Trust Western Washington Painters Trust	22.91	4.65	3.00	0.03
LOCAL 252 Craft 11	NW Laborers-Employers Health & Security Trust Fund NW Employees Retirement Plan Trust Fund	22.44	5	2.15	
LOCAL 286 Craft 23	West Coast Stationary Engineers Welfare Fund 5@937.80 Central Pension Fund(930.80*12/52/40)=4.68/Hr	21.98	5.34	5.37	
LOCAL 302 Craft 16	Construction Industry Health & Security & Pension Funds	23.88	6.75	2.31	

STANDARDS

Journeyman and Apprentices:

1. Apprentices and trainees will convert from existing percentages of the previous Journeyman's rate to same percentage of new Journeyman's rate. The wage progression schedules currently in use will continue until changed by appropriate means.
2. The listing of or the deletion of classification in Schedule A neither establishes nor changes jurisdiction as recognized under the previous collective bargaining agreement's Schedule A.
3. Starting rates for all Journeymen III mechanics hired after the effective date of this Agreement shall be as follows:

		8/1/08	8/1/09	8/1/10	8/1/11	8/1/12
Step I	Per Schedule "A"		+.50	+.50	+.50	+.50
Step II	Per Schedule "A"		+.50	+.50	+.50	+.50
Step III	Journeyman Rate					

New hire Step I and Step II will receive \$.50 per hour increase each August 1st the second year through fifth year of the agreement. The \$.50 increases will not be reduced by diversions of wages to Fringe benefits provided they do not exceed the general wage increase.

A new hire (Journeyman) may be hired into any of the above Step rates; however, after working ninety (90) days, the new hire will be reviewed as to his proper Step placement based on verifiable skill and ability. The review board shall consist of an industrial relations representative and the appropriate union business manager with the foreman of the department acting in advisory capacity. The Union(s) will be advised of the final decision and shall have the right to grieve any placement with which they disagree.

Any former employee requested by name for referral will be placed immediately in Step III. Any Journeyman new hire who has completed a state approved Apprentice/Trainee Program will be placed immediately in Step III.

Journeyman new hires with 6,000 hours experience in related industry as demonstrated through Union records will be placed immediately in Step III. This placement in the Step III rate will be applied retroactively to date of hire if the Union verifies this experience by letter within ten days of hire.

Journeyman new hires shall progress from Step I to Step II after 1,000 hours worked and from Step II to Step III after an additional 2,000 hours worked. Journeymen may also be moved from one Step to a higher Step based on a recommendation by the foreman of the department and subsequent approval by the review board.

Laborers: Laborers hired after the effective date of this Agreement will be paid as follows:

		8/1/08	8/1/09	8/1/10	8/1/11	8/1/12
Step I		\$15.49	+.50	+.50	+.50	+.50
Step II		\$16.49	+.50	+.50	+.50	+.50
Step III	Journeyman Rate in Schedule "A"					

The \$.50 increases will not be reduced by diversions of wages to Fringe benefits The \$.50 increases will not be reduced by diversions of wages to Fringe benefits provided they do not exceed the general wage increase..

Laborers shall progress from Step I to Step II after 1,000 hours, and from Step II to Step III after an additional 2,000 hours. Laborers shall be paid at tank cleaner's and scaler's rate while cleaning areas defined under Article 12 (Dirty Work).

Laborers shall be paid a premium of \$.25 per hour while engaged in removal clean-up, and disposal of in-place fiberglass, asbestos and rockwool insulation.

Any laborer engaged in "on shipboard work" and using a tool such as a grinder, sander or needle gun (note: for purposes of this provision, brooms, mops and feather dusters will not be considered tools) shall received an additional twenty-five cents per hour on a while engaged basis.

Laborers using heavy pneumatic tools (e.g., jackhammers) will receive journeyman rate on a while engaged basis.

HELPERS

Helpers shall progress from Step I to Step II after 2,000 hours

It is the intent of the parties signatory hereto, to utilize helpers for unskilled/semi-skilled work. Along this line, a committee shall be formed to review any abuse of the helper's intended functions. Such committee will be comprised of two management representatives and two union representatives. It is further understood that helpers are a separate seniority classification. Employees hired as helpers may assist journeymen employees by:

1. Using simple hand tools (hammer, pliers, etc.)
2. Performing work of a routine, repetitive nature where tolerances and precision are not a factor.
3. Using power tools such as grinders, sanders, washers.
4. Parts and tool chaser.
5. Parts cleaner.

This list is intended to be examples of the type of work that the parties agree is properly performed by helpers, it is not intended as an exclusive or exhaustive list of acceptable helper assignments.

It is understood and agreed that helpers shall work under the direct supervision of a journeyman or Lead I assisting in the performance of the work of their trade. (This provision does not apply to helpers assigned to a composite crew.)

There may be a ratio of one (1) helper to every five (5) mechanics within each craft. No helper shall be upgraded to journeyman without the mutual consent of management and the Union effected. Alleged abuse of this provision shall be subject to the grievance procedure.

Recalled Employees

Any employee on the payroll as of the date of ratification and any employee with seniority recall rights as of the date of ratification who is laid off and recalled during the life of this agreement shall be paid at least the same base rate upon recall as he was paid upon his layoff.

SCHEDULE "B"

Plannerman

Applies to hourly rated craftsmen only, who do this work when assigned. It does not apply to technical or administrative employees.

Layer-Out

The classification of Layer-out as contained in Schedule "A" of the Master Agreement is a mechanic who must have a thorough knowledge of blueprints, who can lay out patterns and/or develop and transpose the work from the print to the metal. He must have knowledge of parallel and conic development, as well as simple triangulation. The Layer-Out rate is to apply to those employees when they are performing work falling within the scope of this classification on the following basis:

- (a) Layer-Out work performed for any period less than four (4) hours duration, a minimum of four (4) hours pay at the Layer-Out rate.
- (b) Layer-Out work performed for any period over four (4) hours duration, a minimum of eight (8) hours pay at the Layer-Out rate.

LETTERS OF UNDERSTANDING

Travel Time and Out-of-Yard Work.

Traveling time and conditions shall be as presently agreed to by Employer and Signatory Unions to this Agreement, unless otherwise mutually changed.

Conditions as presently agreed to by Employer and Signatory Unions in the respective ports are as follows:

Out-of-Yard Work and Trial Trips:

Traveling time and conditions shall be as presently agreed to by Employer and Local Lodge of the Union, unless otherwise mutually changed.

1. When employees are required to work at sea or are assigned to vessels on trial trips, or vessels anchored off shore, they shall receive regular shift pay, meals and room accommodations when necessary.
2. If employees are required to work or stand by outside of their regular assigned shift hours, or on Saturday, Sunday or holidays, they shall receive the established overtime rate as defined in Article 8.
3. If employees are required to remain on the vessel, not working or standing by, in excess of their regular shift hours, they shall receive pay for the actual hours aboard said vessel at their regular straight time hourly wage, not to exceed eight (8) hours in any twenty-four (24) hour period.

Out-of-Town Work, Puget Sound Area Only: When employees are sent on jobs out of town the following conditions shall prevail:

1. They shall receive first class board, lodging and transportation when required to remain away overnight. "Coach will be acceptable as First-Class air transportation."
2. They shall receive travel pay at double time before and after the starting and quitting time of their regular shifts, not to exceed eight (8) hours at straight time in any one (1) day of twenty-four (24) hours. On extended trips of more than one (1) day they shall receive not more than eight (8) hours at straight time in any one (1) day of twenty-four (24) hours.
3. Employees required to work or travel on Saturday, Sunday or holidays or required to work overtime before or after the regular assigned shift for the job shall be paid at the overtime rate as defined in Article 8 of the Master Agreement.

Trial Trips - Puget Sound Area Only

1. When employees are required to work at sea or are assigned to vessels on trial trips or vessel anchored off shore, they shall receive regular shift pay, meals and room accommodations when necessary.

2. If employees are required to work or stand by outside of their regular assigned shift hours, or on Saturday, Sunday or holidays, they shall receive the established overtime rate as defined in Article 8.
3. On trial trips at sea of one (1) day or less duration, employees shall receive regular shift pay except that overtime rates shall be paid before the regular starting time and after the regular quitting time of the shift on which the employee is regularly employed until the employee is returned to the shop.
4. When the trial trip extends beyond the limits of one (1) twenty-four (24) hour period and only one (1) shift is used, the employee shall be paid at his regular straight time rate for the first shift worked, and double time for hours worked or standing by beyond his shift, with a guarantee of a minimum of twelve (12) hours work (sixteen (16) hours pay) within each twenty-four (24) hours.
5. Trial trips returning at a time that provided less than a shift off, the employees required by the Employer to return on their regular day shift, will be paid the overtime rate. If the day shift employee is not required to work on his regular shift, he will be provided work on the regular "second" or swing shift.
6. When two (2) shifts are used, the following conditions shall prevail: When two (2) shifts are worked, the "first" or day shift shall start at the regular established starting time recognized by each yard and shall last twelve (12) hours. Employees shall receive sixteen (16) hours pay at the established day shift rate. The "second" or night shift shall start following the end of the twelve (12) hours period for the "first" or day shift and shall end at the regular established graveyard shift quitting time recognized by each yard. Pay for the "second" or night shift shall be as follows: The first four (4) hours shall be at double the regular day shift rate. The following eight (8) hours shall be paid at the regular day shift rate plus \$1.00 per hour.

To the extent possible, night shift employees and ship's crew will be berthed in separate quarters.

All hands will be paid from the time they are required to report aboard until the beginning of the next regular shift. Thereafter, off shift employees will not be paid until the start of their next regular shift. If the ship returns to dock prior to the starting time of the normal day shift, workers will work normal day shift and swing shift hours that day.

If the ships returns to dock after the starting time of the normal day shift, day shift works (is offered) the twelve (12) hour shift, and night shift works (is offered) a full twelve (12) hour shift, hours being the same as while at sea for that day, and will work normal shifts hours the following day.

7. When three (3) shifts are used, each shift will consist of eight (8) hours with a minimum of twenty-four (24) hours straight time pay.
8. First class board and lodging shall be furnished to all employees at sea on trial trips.

Out of Yard Work - Bremerton, Everett, Tacoma Areas USCG Pier and NOAA Areas in Seattle

When employees are required to work in the areas specified above, they shall be reimbursed for actual daily out-of-pocket expenses such as parking and travel fees. Mileage or gas cost is not considered as out-of-pocket expenses. Volunteers will be sought first, the most senior employee shall have the first right of refusal. Employees shall report directly to the job site at the beginning of their respective shift and shall be responsible for their own transportation to and from the job site. When parking is not readily available the Employer agrees to secure parking at the worksite or provide transportation. (This is intended for Pier 36 only and if Transportation is provided by the Employer it will be off the clock on the Employee's time.)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this ____ day of _____, 2008.

EMPLOYER:

The Seattle Division of Todd Pacific Shipyards Corporation

By: _____

Title: Secretary / General Counsel

INTERNATIONAL UNIONS:

International Brotherhood of Boilermakers

By: _____

Carpenters International

UNIONS:

The Metal Trades Department of the AFL-CIO

By: _____

The Pacific Coast Metal Trades District Council

By: _____

Puget Sound Metal Trades Council

By: _____

By: _____

Electrical Workers International

By: _____

Laborers International

By: _____

Machinists International

By: _____

Operating Engineers International

By: _____

The Painters International

By: _____

Sheet Metal Workers International

By: _____

Teamsters International

By: _____

United Association of Plumbers International

By: _____

SUPPLEMENTAL AGREEMENT BETWEEN
THE
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS
AND
TODD PACIFIC SHIPYARDS CORPORATION

This supplemental Agreement effective August 1, 2008 modifies the Document entitled "Agreement between the Seattle Division of Todd Pacific Shipyards Corporation" and the Metal Trades Department of the AFL-CIO, the Pacific Coast Metal Trades District Council, the Local Metal Trades Councils and the International Unions signatory thereto" as far as it relates to members of the International Association of Machinists and Aerospace Workers, AFL-CIO.

The following Articles and sub-Articles shall apply to Machinists and to the IAM and AW in lieu of those contained in the Master Agreement.

ARTICLE 3. NON-DISCRIMINATION, RECOGNITION, UNION SECURITY, HIRING, SENIORITY

3.5 Seniority:

With a view to maintain the most harmonious relations possible and the utmost teamwork between employees, work shall be distributed as evenly as possible among regular employees in their various classifications. In all layoffs and re-employment, the rules of seniority shall prevail, where seniors are competent; provided that the employee shall not be considered as eligible for seniority until he has worked in an established represented classification for a period of ninety (90) cumulative working days within a nine (9) month period. Jobs of less than ten (10) working days' duration shall apply to accrual of seniority.

As an exception to the above paragraph, seniority shall not apply to recall or layoff for jobs of less than ten (10) working days duration starting on the first day following the placing of the order at the Union Hall for an Employee.

- (a) The Employer has the responsibility to call the Union Hall for Employees with seniority for jobs regardless of duration and to layoff by seniority as far as is practical under this exception.
- (b) The provisions under this exception are only to give the right to the Employee with seniority to reject a job offer of less than ten (10) days. Further, there is no guarantee of pay for days not worked.
- (c) The Employer can call Employees for more than one (1) job in the ten (10) day period or less.
- (d) If a job is not completed in the ten (10) working days duration and is needed to be extended from one (1) to three (3) working days beyond the ten (10) day duration, the Employer is not required to call seniority Employees who were not available or who originally rejected the ten (10) day call back for that period of time.
- (e) The employee shall retain seniority rights after layoff for a period of two (2) years.
- (f) The employee shall lose his seniority rights for any one of the following reasons: voluntary termination; discharge for cause; failure to report from layoff within three (3) working days after notification to report, on a seniority recall ten (10) days duration or longer provided that the three (3) day period specified in this paragraph shall be extended as necessary in cases of verifiable sickness.
- (g) No employee shall be discriminated against or jeopardized in seniority standing or suffer any loss of employment on account of membership or activity in the International Association of Machinists and Aerospace Workers Union, so long as such activities are not carried on during working hours so as to interfere with production at the plant.
- (h) Upon request by the Business Representative or the chairman of the Shop Committee, once in each three (3) months period, lists of employees in the bargaining unit with their dates of employment will be furnished by the Employer.

- (i) Lead I not working with tools may be retained out of seniority. Lead I working with tools will be laid off and recalled to work according to journeyman's seniority. A Lead I who is retained out of seniority, and works with tools, will immediately be subject to application of seniority.
- (j) Shop stewards shall be granted super seniority on the jobs they are capable of performing during their respective term of office. The present ratio system of representation shall not be expanded, except by mutual agreement of the Union and the Employer.
- (k) The Parties agree that generally in layoffs, seniority will apply. Under special circumstances employees may be retained or recalled for overtime work on the basis of qualifications or availability.
- (l) The Employer shall not be allowed to use short-term layoff in order to circumvent the seniority provision of the bargaining agreement.
- (m) The Company shall afford training to all Journeyman Machinists to work Flow, Building Maintenance, Crane Maintenance, Bull Maintenance, Portable Machining, Hydraulics, Diesel Engines, Rotary Alignment and Optical Alignment Installations in line with seniority rights.

ARTICLE 12. DIRTY WORK

12.2 Human Waste:

The terminology "human waste" shall also include animal and biological waste.

ARTICLE 14. REPORTING PAY AND MINIMUM PAY

- 14.3 Employees required to report for work and not put to work shall receive four (4) hours straight time pay. After an employee has been dispatched by the Union to report to the Employer for work, whether the same or the following day, such employee shall not have his work order canceled by telephone by the Employer.
- 14.5 Employees who voluntarily quit, are laid off, or are discharged for cause shall be paid only for actual hours worked and shall be given written notice of termination if requested by the employee.

ARTICLE 25. JURISDICTIONAL DISPUTES

25.4 The Employer agrees that no reassignment of work will be made unless in conformance with Section 25.1 above.

SCHEDULE "A"

Inside Machinist Only

Journeyman Base Wage Rate: (Machine Operators Only)

August 1, 2008	\$23.36
August 1, 2009	\$1.40/hour to Wage/Fringe
August 1, 2010	\$1.40/hour to Wage/Fringe
August 1, 2011	\$1.50/hour to Wage/Fringe
August 1, 2012	\$1.55/hour to Wage/Fringe

Letter of Understanding Between Todd Pacific Shipyards Corporation and the International Association of Machinists and Aerospace Workers

Re: Procedural Process Regarding Temporary Use of Employees Between Departments

If an employee is needed to work in another department, said department must call the Hall and ask for a dispatch for that person.

If no one is available from the Hall, said department will inform the Hall that an employee from the loan craft (named) needs to be dispatched (and the dispatch form may be faxed) prior to that employee's next regular shift.

The Company then completes the necessary internal forms indicating the employee's change of status.

An employee may not be listed on two seniority lists.

All loaned employees will receive the prevailing rate of pay in the craft to which they are “loaned,” but in no case less than the rate in their home craft.

If an employee has not yet established a tenure date, that employee will cease accumulating time towards tenure in the department from which he or she is transferring and will begin to accumulate days towards tenure in the department into which he or she has been transferred.

When a sufficient number of days are accumulated in either department to warrant a tenure date, the employee must choose at that time his or her department for tenure purposes.

If a layoff has occurred during the time an employee was working in the other department, he or she will be subject to layoff in the order that he or she was hired or in the order of his or her seniority, as usual, when he or she returns to the craft from which he or she was temporarily transferred.

A new dispatch from the Hall, which may be faxed, is needed to return to the first craft and the usual internal form generated indicating the individual’s change of status.

Valve Shop

1. OSM will continue the current status of open, inspect and repairs. ISM will support as requested.
2. Testing will be OSM with ISM support as requested.
3. When work load exceeds the grandfathered employee and additional manning is required for more then 2 days , OSM Craft Coordinator will be advised and every effort will be made to have OSM cover , Note : ISM will cover the incidental hours up to 2 days [or longer if OSM is unable to man.] Every effort will be made to avoid grievances’.

Re: ISM Key Positions

Some work in the Inside Machine Shop requires skills that are above and beyond those required of a journeyman-level machinist. Because of the nature of the work, high levels of skills are required on more than just one machine. These employees are required to perform all the most difficult work in the shop and are called on to work the majority of the overtime in the shop because of these skills. Therefore, effective August 1, 2005, a minimum of eight journeyman-level inside machinists will receive an additional \$2.00/hr. over the regular or established journeyman inside machinist rate of pay

Re: OSM Lathe

All machinists have the right to operate the small lathe located in the OSM shop for small jobs or simple tasks such as, but not limited to, polishing, lapping, turning, parting, centering, facings, etc., provided that they have operated similar machinery in the past, received appropriate instruction or training, and operate it in a safe manner at all times. The use of this lathe is not intended for production work or multi-parts that are to be machined by ISM shop employees.

Re: Interpretation of 6000-Hour Rule/New Hires

Journeymen new hires who can demonstrate experience in related industry, through Union records, will be placed in the appropriate step level of the progressions listed in the collective bargaining agreement on the following basis:

1. Experience in related industry, as demonstrated through union records, will be recognized on the basis of one Todd hour for every two hours from an outside employer.
2. A total of six thousand demonstrated hours are required in order to receive the Journeyman Step III rate. If no records are produced, a new hire must work three thousand hours at Todd to be upgraded to Step III. Or, if some records are produced, a combination of hours will be required to be upgraded. (E.g. when employee “A” was hired at Todd, he produced union records demonstrating four thousand three hundred thirty-two hours’ experience in related industry (4,332 divided by 2 = 2,166). Therefore, he needed an additional eight hundred thirty-four hours at Todd to reach the Journeyman

Step III rate. He would immediately be placed in Step II of the journeyman wage progression. A new hire will be placed in Step I for demonstrated related industry hours between 0 and 2,000. A new hire will be placed in Step II for demonstrated related industry hours between 2,001 and 6,000.

For the Employer:

By: _____

Title: _____

Date: _____

For the Union:

By: _____

Title: _____

Date: _____

**SUPPLEMENTAL AGREEMENT BETWEEN
THE
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
AND
TODD PACIFIC SHIPYARDS CORPORATION**

PREAMBLE

The Agreement made and entered into August 1, 2008 between the Seattle Division of Todd Pacific Shipyards Corporation" and the International Brotherhood of Electrical Workers, Pacific Coast Marine Council, Local 6, 46, 48, 76, 302 and 595, hereinafter collectively called the "Union."

WITNESSETH:

The following articles and sub-articles shall apply in lieu of those contained in the Master Agreement.

ARTICLE 1. SCOPE OF AGREEMENT

1.1 This Agreement shall cover all electrical production, repair and maintenance employees within the bargaining unit (as defined in NLRB Case 20-RC-2157, dated March 4, 1966) and shall apply to all work and activities of the Employer in connection with the construction, conversion, repair or scrapping of any vessel on the Pacific Coast, including but not limited to dredges, floating drydocks, offshore drilling vessels, barges, mobile drilling platforms, plant equipment and all auxiliary equipment used in conjunction therewith.

ARTICLE 22.2

That in accordance with past practice, it is understood that if a seafaring union affiliated with the Maritime Trades Department, AFL-CIO establishes a lawful primary picket line by reason of a dispute affecting employees represented by the seafaring union employed on a specific vessel on which work is to be performed by a Pacific Coast Shipbuilders' Association shipyard no employee of the shipyard shall be subject to disciplinary action for failure to perform work on the struck vessel as distinguished from other shipyard work.

ARTICLE 23. GRIEVANCES AND COMPLAINTS

23.1 Step 4:

Substitute "International Representative of IBEW" for "International President" of the Master Agreement.

SCHEDULE "B"

Plannerman

Principal Duties: Check all electrical prints. Check and monitor all revision notices (RNs) and Engineering change notices (ECNs). Maintain percent progress reports. Coordinate work with other craft plannermen as necessary. Prepare schedules and work orders.

Qualifications: Full knowledge of craft work. Able to read and understand blueprints.

SCHEDULE "C"

Layers-out

The classification of Layers-out as contained in Schedule "A" is a Mechanic who must have a thorough knowledge of blueprints, who can lay out patterns and/or develop and transpose the work from the Print to the metal. He must have a knowledge of parallel and conic development, as well as simple triangulation.

To qualify for Layers-out pay, the mechanic must be assigned to do the layout of such compartments as C.I.C. rooms or computer rooms on shipboard in new construction and conversion work.

Determining normal locations of such items as wireways, lights, fixtures, junction boxes, and panels do not qualify as Layers-out work.

- (a) Layers-out work performed for any period less than four (4) hours duration, a minimum of four (4) hours pay at the Layers-out rate.
- (b) Layers-out work performed for any period over four (4) hours duration, a minimum of eight (8) hours pay at the Layers-out rate.

SCHEDULE "D"

ELECTRONIC TECHNICIAN CLASSIFICATION

An electronic technician is one who normally through special study and training has the knowledge and ability to understand, analyze, test, service, repair and adjust electronic equipment (this shall include connector work performed by certified electricians while engaged with navy vessel work). The electronic technician shall perform trouble-shooting and testing required on electronic equipment/devices for audio, video, control circuits, remote and control instrumentation, telephone switch, and welding machine maintenance, etc. An electronic technician shall receive .50 (fifty cents) per hour over journeyman rate. This shall be an in use rate. It shall not include wiring circuits from the source of supply to the equipment power terminal or connection, installation, or mounting of electronic equipment and ancillary components.

ELECTRONIC TECHNICIAN II CLASSIFICATION

The following shall apply only to government contracts that use a total ship test program. It shall be invoked only when Todd is required to use test memos for Combat Systems Testing that require government approval.

All rates shall be "in use rates" and shall be written in on the timecard for actual time spent doing actual Combat Systems type work.

These rates shall apply while performing the actual test or any related aligning/grooming to make the system ready for operation testing. This does not apply to installation, cabling, hook-up, wire checking, meggering or "state 2 testing".

Personnel performing the agreed work shall be able to use/operate all test equipment and tools necessary to align, calibrate, and operate the required systems.

Combat Systems type work as defined shall apply to radar, sonar, communication, weapon, guidance, surveillance, and countermeasure systems as used by the government onboard combatants. The following are not considered Combat System type systems: Gyro's and repeaters, frequency converters/M.G. sets, signal lights (including infrared), wind speed & direction indicators, doppler speed log/pit sword, alarms, (unless integral to the equipment), and dial or sound powered telephones.

Electronic Technician II

Electronic Technician II \$.95

Electronic Technician II} In accordance with Electronic Technician II Quarterman} Article 4, Section 2

ELECTRONIC TECHNICIAN II

Shall be able to:

1. Operate equipment or systems.
2. Perform class "A", "B", "C", or 009-16 overhauls on equipment.
3. Perform warranty and field service work in/or out of yard.
4. Research studies of equipment operational performances.
5. Research replacement material source.
6. Grooming, alignment, and calibration on equipment.
7. Initial light-off/start up of equipment system.
8. Troubleshoot and casualty repair equipment.

- 9. Perform test and evaluations in accordance with test documents.
- 10. Perform evaluations of test criteria and/or test equipment.

SCHEDULE "E"

MAINTENANCE AND CONSTRUCTION WORK

Maintenance work shall be performed at wage rates and conditions herein established. Maintenance work shall consist of maintenance of all yard and plant facilities, and temporary services to vessel undergoing repairs or in the process of construction.

The following work, for example, when performed by employees of parties signatory to this Agreement, shall be paid for at the prevailing wage rate for Building and Construction Trades in the area where performed.

- (a) The installation of any permanent new load center and branch circuits therefrom.
- (b) Any new permanent addition of a branch circuit extending 25 feet or more from an existing load center.
- (c) The permanent extension or relocation of any existing permanent branch circuit to an area outside of a 25 foot radius of its original location.
- (d) Any new permanent "under-pier" work requiring eight or more man-hours of labor.
- (e) The installation of any new or relocation of existing permanent major plant equipment such as air compressors, boilers, cranes, electrical distribution switchboards.

For The Employer

By: _____

Title: _____

Date: _____

For The Union

By: _____

Title: _____

Date: _____

**SUPPLEMENTAL AGREEMENT BETWEEN
THE
PACIFIC COAST MARINE CARPENTERS' COUNCIL
AND
TODD PACIFIC SHIPYARDS CORPORATION**

This Supplemental Agreement effective August 1, 2008 modifies the Document entitled "Agreement between the Seattle Division of Todd Pacific Shipyards Corporation and the Metal Trades Department of the AFL-CIO, the Pacific Coast Metal Trades District Council, the Local Metal Trades Councils and the International Unions signatory thereto" as far as it relates to members of the Pacific Northwest Regional Council of Carpenters.

The following Articles and sub-Articles shall apply to Carpenters in lieu of those contained in the Master Agreement.

ARTICLE 3.2 RECOGNITION

The Employer, pursuant to the decision of the N.L.R.B. case No. 20-RC-1327, recognizes the Pacific Coast Marine Carpenters' Council as the sole and exclusive bargaining agent for all employees who are members of the following Local Unions nos. 1149, 247, 470, 562, 780, 1184, 1532 and 1597 of the United Brotherhood of Carpenters and Joiners of America, AFL-CIO.

ARTICLE 4. LEAD I

4.3 Add to existing:

- (a) Working Lead I shall receive the Lead I rate over and above the contract rate while engaged in work for which a contract premium rate is paid. A Lead I on the jobsite leading a crew composed of journeymen receiving such contract premium rate also is entitled to Lead I pay over and above the premium.
- (b) It is agreed that when shipwrights are performing service work for another craft they will be under the direction of the supervision of that other craft. Shipwright crews performing the production work of their own craft will be under their own supervision.

ARTICLE 7. WAGE SCALES

7.5 Existing Wages and Conditions: It is agreed and understood that this Agreement shall not operate to reduce any existing wages that might be higher than those contained herein, nor shall it be used to change any conditions existing prior to the signing of this Agreement. However, if such conditions are in conflict with this Agreement, the terms of this Agreement will prevail.

7.6 Job Classification Award: Should any award be rendered giving a Union signatory to this Agreement the jurisdiction over a job classification with a lesser wage rate there will be no change in the wage rate for such classification.

ARTICLE 8. OVERTIME

8.9 Add: A reasonable opportunity to eat their lunch shall be no later than one (1) hour following the end of their regular established lunch period.

ARTICLE 10. VACATIONS

10.8 There shall be no vacation pay in lieu of a vacation. Vacation pay accruing to the employee within his vacation year as described above shall be paid to said employee upon completion of his vacation year unless said employee is leaving the area, is discharged, quits, or the Union makes written requests, in which event he shall be paid in full such vacation pay as may have accrued to him under the terms of this Article. When a temporary employee is laid off, however, if he requests his vacation pay, the Employer shall mail his pro rata vacation pay the following work day to the address the employee designates.

ARTICLE 12. DIRTY WORK

12.3 Protective clothing will be made available when conditions warrant men are assigned to dirty work.

12.4 Work performed for any period less than four (4) hours duration a minimum of four (4) hours pay as set forth in Schedule "A."

- 12.5 Work performed for any period over four (4) hours duration, a minimum of eight (8) hours pay as set forth in Schedule "A."
- 12.6 The installation and removal of fiberglass, rockwool and similar insulating materials shall be paid at the rate set forth in Exhibit "B."
- 12.7 Employees required to do Carpenter work with lumber treated with creosote or other toxic materials as described in the U.S. Bureau of Labor Safety and Health Regulations for Ship repairing and/or shipbuilding as published by the Bureau of Labor Standards, shall receive the premiums set forth in Exhibit "B."

ARTICLE 23. GRIEVANCES AND COMPLAINTS

Step 4.

In the event no satisfactory solution eventuates from Step 2 within five (5) working days, then the Local Union Representative shall process such complaint, grievance or dispute with the Employer. A Representative of the Marine Council or International Union may be present to assist the Local Union.

ARTICLE 25. JURISDICTIONAL DISPUTES

- 25.2 Void - does not apply.
- 25.4 The Employer agrees that work assignments will be made to the employees covered by this Agreement in accordance with the established practice.

ARTICLE 28. TOOLS

- 28.4 It is hereby agreed that in respect to the safekeeping of tools, the Employer will furnish a designated place for the employee's tools to be placed while the employee is off shift. In the event any tools or tool boxes are stolen from this designated place, or lost due to fire, the Employer shall replace such tools.
- 28.5 It is further agreed that each employee will furnish an inventory in duplicate of these tools, and a copy of such inventory shall be filed with the personnel department and the employee's superintendent. Any additional tools that may be purchased by the employee will be added to such list at the time they are brought into the yard. The inventory shall be used for the purpose of tool replacement only.
- 28.6 All tools shall be sharpened on the Employer's time.

EXHIBIT "B"

Carpenters

Carpenters engaged while working with creosoted, toxic materials, treated lumber or fiberglass, rockwool, Styrofoam or similar insulation work, greasing and waxing of the ways and the cutting or grinding by machine of Marinade, asbestos materials and fiberglass shall be paid in addition to their rate of pay, fifty (50¢) cents per hour.

Wood caulking including reefing out and replacing of glue or rubber in seams shall be paid in addition to their rate of pay, fifteen (15¢) cent per hour.

For The Employer
 By: _____
 Title: _____
 Date: _____

For The Union
 By: _____
 Title: _____
 Date: _____

**SUPPLEMENTAL AGREEMENT BETWEEN
THE
INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIPBUILDERS,
BLACKSMITHS, FORGERS AND HELPERS
AND
TODD PACIFIC SHIPYARDS CORPORATION**

The Employer recognizes the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers as the exclusive Collective Bargaining Representative of the employees included in the job classifications referenced in this addendum, separate and apart from the Pacific Coast Metal Trades Council, Puget Sound Metal Trades Council and the National Metal Trades Department AFL-CIO.

Further, the parties expressly recognize that by signing this agreement and addendum, the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers are not waiving their right to negotiate separate and apart from the Pacific Coast Metal Trades District Council, Puget Sound Metal Trades Council or the National Metal Trades Department AFL-CIO.

Further, the parties expressly recognize that separate notification pursuant to Article 32 of the Collective Bargaining Agreement must be given to or received from either the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers or their Subordinate Local 104, Seattle, Washington should Todd Pacific Shipyards Corporation or the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers or their Subordinate Local 104 wish to modify or amend this agreement.

Job classifications covered by this Agreement shall be: Shipfitter, Welder, Burner, Rigger and Drydock Rigger.

For The Employer

For The Union

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

LETTER OF UNDERSTANDING BETWEEN
THE
INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIPBUILDERS,
BLACKSMITHS, FORGERS AND HELPERS
AND
TODD PACIFIC SHIPYARDS CORPORATION
INTRA-UNION CLASSIFICATIONS

The Company and Boilermakers recognize the importance of allowing employees the ability to acquire and utilize additional skills within their own union; thereby providing job enrichment and a better qualified and more efficient workforce. Effective with the ratification of the 1996 agreement, employees within the Boilermakers will have training opportunities to acquire skills from associated classifications within their union. Classifications as discussed herein include Shipfitters, Welders and Riggers all of whom will be offered training on a voluntary basis. A Boilermaker journeyman, while possessing one main area of expertise (e.g., shipfitting, welding, rigging), shall be able to accomplish work in any of the three areas.

In order to best accomplish the above process, employees who do not possess all of the skills of the Boilermaker classification will be offered training in those areas that are not their current primary classification. Upon successful completion of the prescribed number of training hours and passing practical and theoretical course material, as mutually agreed by the employer and union, persons shall be deemed qualified within that additional classification. Training shall be offered to all volunteers within seniority as of the date of ratification of the 1996 collective bargaining agreement.

After this date, Boilermakers dispatched without seniority shall either possess the demonstrated skills and abilities to perform work in all current Boilermaker classifications or, in the alternative, agree to receive training to obtain said skills.

Recognizing that not all Boilermakers will be interested in obtaining further training to accomplish a wider variety of work, it is agreed that all Boilermakers having seniority in any current Boilermaker classification shall at the time of ratification be grandfathered as to their current seniority rights.

For The Employer

By: _____

Title: _____

Date: _____

For The Union

By: _____

Title: _____

Date: _____

**LETTER OF UNDERSTANDING BETWEEN
THE
INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 302, AFL-CIO
AND
TODD PACIFIC SHIPYARDS CORPORATION.**

August 1, 2008 to July 31, 2012

The following Articles and sub-Articles shall apply to crane operators in lieu of those contained in the Master Agreement.

ARTICLE 7. WAGE SCALES

The employer shall pay a premium of \$.75/hr. beginning August 1, 2002; a premium of \$1.25/hr. beginning August 1, 2003; and a premium of \$1.75/hr. beginning August 1, 2004.

ARTICLE 13. MAINTENANCE WORK

The employer shall pay outside scale per AGC/Local 302 master labor agreement for all work on maintenance projects when the crane operator(s) are assisting contractors or crafts being paid outside construction scale.

Schedule "B"

- (a) A crane operator can make two (2) moves involving two (2) pieces of equipment in one shift. For each additional move, the operator shall receive one (1) hour at the straight-time rate.
- (b) A crane operator, while engaged in making a multiple crane lift where two (2) whirley cranes are lifting simultaneously, shall receive a premium of seventy-five cents (75 ¢) per hour from hook-on to hook-off.

ARTICLE 21. APPRENTICE AND TRAINEE PROGRAM

The Union agrees to cooperate and participate in training the Employer's employees to become qualified as crane operators. Such trained operators may perform this work only upon proper referral to the Company by the Union. The Employer agrees to reimburse the Union all reasonable costs the Union may incur through such training.

For the Employer:

By: _____

Title: _____

Date: ____

For the Union:

By: _____

Title: _____

Date: ____

LETTER OF UNDERSTANDING BETWEEN
THE
INTERNATIONAL UNION OF PAINTERS AND ALLIED TRADES DISTRICT COUNCIL #5, AFL-CIO
AND
TODD PACIFIC SHIPYARDS CORPORATION.

August 1, 2008 to July 31, 2013

The following Articles and sub-Articles shall apply to painters in lieu of those contained in the Master Agreement.

ARTICLE 21. APPRENTICESHIP AND TRAINEE PROGRAM

The parties agree to establish an apprenticeship program in accordance with the applicable State standards.

SCHEDULE "A"

The individual painter working as the Hazardous Substance Technician shall receive an additional \$.50 per hour on an as engaged basis.

SCHEDULE "B"

The Spray Painter rate (\$.25 per hour) is to apply to employees who are classified as Painters in accordance with Schedule "A" of the Agreement. The Spray Painter rate is to apply to those Painters when they are performing work falling within the scope of this classification on the following basis:

- (a) Spray painting work performed for any period less than four (4) hours duration, a minimum of four (4) hours pay at the Spray Painter rate.
- (b) Spray painting work performed for any period over four (4) hours duration, a minimum of eight (8) hours pay **at the** Spray Painter rate.

For The Employer

For The Union

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

**LETTER OF UNDERSTANDING BETWEEN
THE
PUGET SOUND METAL TRADES COUNCIL
AND
TODD PACIFIC SHIPYARDS CORPORATION**

The following are the administrative procedures agreed to by the parties for the optional electronic funds transfer of pay for bargaining unit members:

1. This option is available to all employees with tenure.
2. The election of electronic funds transfer (EFT) is indefinite, though for a minimum of twelve months. Under extraordinary circumstances and subject to the approval of Human Resources, the employee may opt out of EFT in less than twelve months.

If an employee opts out of EFT he/she must wait an additional twelve months before again qualifying for this election.

3. During any twelve-month period, the employee may change funds transfer election or direction one time.
4. The employee may transfer funds to two checking accounts and two savings accounts; the maximum number of financial institutions, then, is four, with one account at each. During any twelve-month period, the employee may make one change in his or her election, for up to four accounts.

This letter of understanding remains in effect for the length of term of the collective bargaining agreement, 8/1/05-7/31/08.

For the Employer:

For the Union:

By _____

By _____

Title _____

Title _____

Date _____

Date _____