

225 = 180 9606

Small

**AGREEMENT**

**Between**

**GREAT LAKES DIVISION  
NATIONAL STEEL CORPORATION**



**and the**

**UNITED STEELWORKERS  
OF AMERICA**



**Office, Clerical and Technical  
Employees**

**August 1, 1999** - 8/1/2007  
*Ecorse, Michigan*

**Safety is  
Everybody's Business**



**AGREEMENT**

**Between**

**GREAT LAKES DIVISION  
NATIONAL STEEL CORPORATION**

**and the**

**UNITED STEELWORKERS  
OF AMERICA**

**Office, Clerical and Technical  
Employees**

**August 1, 1999**

*Ecorse, Michigan*

**Safety is  
Everybody's Business**

## INDEX

Section	Page No.
AGREEMENT .....	1
1A PURPOSE AND INTENT OF THE PARTIES AND COOPERATIVE PARTNERSHIP .....	2
1B PRODUCTIVITY .....	16
1C EMPLOYMENT SECURITY PLAN	
A. Scope .....	21
B. Eligibility .....	21
C. Placement .....	23
D. Rates of Pay .....	24
E. Safeguards .....	24
F. Procedures .....	25
G. General Provisions .....	25
H. Appeal Process and Review Board .....	26
2A COVERAGE .....	27
2B LOCAL WORKING CONDITIONS .....	29
2C CONTRACTING OUT	
A. Basic Prohibition .....	31
B. Exceptions .....	31
C. Reasonableness .....	33
D. Contracting Out Committee .....	35
E. Notice and Information .....	35
<b>F. General Provisions</b> .....	37
G. Mutual Agreement and Disputes .....	38
H. Expedited Procedure .....	38
I. Contractor Testifying in Arbitration .....	39
J. Annual Review .....	40
K. Appeal .....	41
3 MANAGEMENT .....	42
4 RESPONSIBILITIES OF THE PARTIES .....	43
5 UNION MEMBERSHIP AND CHECKOFF	
A. Union Membership .....	46
B. Checkoff .....	46
C. Union Security .....	48
D. Indemnity Clause .....	48
E. Checkoff Implementation .....	48

6	ADJUSTMENT OF GRIEVANCES	
	A. Purpose .....	50
	B. Definition of Grievance .....	50
	C. Grievance Procedure .....	50
	D. General Provisions Applying to Grievances .....	53
	E. Union Grievances .....	55
	F. Suspension of Grievance Procedure .....	56
	G. Waiver of Grievance Procedure .....	56
	H. Access to Plant .....	56
	I. Union Grievance Committee .....	56
	J. Review of Grievance Procedure .....	57
7	ARBITRATION	
	A. Procedure for Arbitration .....	60
	B. Retroactivity .....	61
	C. Expedited Arbitration Procedure .....	62
8	SUSPENSION, TERMINATION AND DISCHARGE CASES	
	A. Purpose .....	65
	B. Procedure .....	65
	C. Revocation of Suspensions or Discharges .....	67
	D. Jurisdiction of Arbitrator .....	67
	E. Suspension of Hearing .....	68
9	RATES OF PAY	
	A. Wage Scale Rates .....	69
	B. Application of the Wage Scale Rates .....	69
	C. Description and Classification of New or Changed Jobs .....	70
	D. Adjustment of Personal Out-of-Line Differentials .....	75
	E. Salary Rate Inequity Complaints or Grievances .....	76
	F. Correction of Errors .....	76
	G. Miscellaneous .....	76
	H. Shift Differentials .....	76
	I. Sunday Premium .....	77
	J. Inflation Recognition Payment .....	78
	K. Assured Rates of Pay .....	82
	L. Skill Based Pay .....	83
10	HOURS OF WORK .....	
	A. Normal Hours of Work .....	85
	B. Reporting Allowances .....	86
	C. Absenteeism .....	87

D.	Jury or Witness Duty .....	87
E.	Funeral Leave .....	87
F.	Overtime Work .....	88
11	<b>OVERTIME - HOLIDAYS</b>	
A.	Purpose .....	89
B.	Definition of Terms .....	89
C.	Conditions Under Which Overtime Rates Shall Be Paid .....	89
D.	Pay for Holidays Not Worked .....	91
E.	Non-Duplication Provisions .....	93
12	<b>VACATIONS</b>	
A.	Eligibility .....	94
B.	Scheduling .....	95
C.	Vacation Allowance .....	95
D.	Transferees into Bargaining Unit .....	96
E.	Vacation Shutdowns .....	96
F.	Vacation Scheduling Grievances .....	96
G.	Employees Injured, Retiring or Deceased .....	97
H.	Military Service .....	97
I.	Vacation Pay Not Assignable .....	97
J.	Returning Local Union Officers .....	98
13	<b>SENIORITY</b>	
A.	Preamble .....	99
B.	Intent .....	99
C.	Seniority Dates .....	99
D.	Departmental Breaks .....	100
E.	Plant Continuous Service Breaks .....	100
F.	Probationary Employees .....	101
G.	Temporary Summer Employees .....	102
H.	Permanent Vacancies .....	102
I.	Plant Wide Bid Procedure .....	105
J.	Temporary Vacancies .....	106
K.	Temporary Employees .....	106
L.	Notice of Reduction of Forces .....	107
M.	Representatives' Preference on Reduction of Forces .....	107
N.	Reduction of Forces .....	108
O.	Recall .....	109
P.	Definitions for the Purpose of this Section .....	110
Q.	Compensation for Improper Layoff or Recall .....	110
R.	Leaves of Absence .....	110
S.	Union Representatives' Leaves of Absence .....	112

T.	Supervisor's Rights to Return to Bargaining Unit .....	112
U.	Immediate Job Rights of a Returning Employee .....	113
V.	Reassignments .....	113
W.	Complaints .....	114
X.	Revised Interplant Job Opportunities .....	114
Y.	Consent Decree .....	117
14	<b>SAFETY AND HEALTH .....</b>	
A.	Objective and Obligations of the Parties .....	118
B.	Protective Devices, Wearing Apparel and Equipment .....	121
C.	Disputes .....	121
D.	Joint Safety Committee .....	122
E.	Limitation on Use of Disciplinary Records .....	125
F.	Safety and Health Training .....	126
G.	Medical Records .....	127
H.	Alcoholism and Drug Abuse .....	127
I.	Safety Shoe Allowance .....	128
15	<b>MILITARY SERVICE .....</b>	129
16	<b>SEVERANCE ALLOWANCE</b>	
A.	Termination of Operations .....	131
B.	Eligibility for Severance Allowance .....	132
C.	Severance Allowances .....	132
D.	Deferred Severance Allowances .....	132
E.	Non-Duplication Provisions .....	133
F.	Notification to Union .....	133
G.	Election Concerning Layoff Status .....	133
17	<b>SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN PROGRAM</b>	
A.	Description of Plan .....	135
B.	Coverage .....	135
C.	Reports to the Union .....	135
18	<b>SUB AND INSURANCE GRIEVANCES .....</b>	136
19	<b>PRIOR AGREEMENTS .....</b>	139

20	TERMINATION DATE .....	140
	APPENDIX-A - STANDARD WAGE RATES ...	142
	APPENDIX-B - JOB DESCRIPTION AND CLASSIFICATION .....	148
	APPENDIX-C - MISCELLANEOUS MATTERS .....	150
	APPENDIX-D - CORPORATE ISSUES .....	152
	APPENDIX-E - SAFETY AND HEALTH .....	162
	APPENDIX-F - ATTRITION INDUCEMENTS .....	164
	APPENDIX-G - CONTRACTING OUT AND PRODUCTIVITY .....	166
	APPENDIX-H - NEUTRALITY .....	168
	APPENDIX-I - PLANT CLOSINGS .....	178
	APPENDIX-J - CREW COORDINATORS .....	180
	APPENDIX-K - <b>USWA/NATIONAL STEEL CAREER DEVELOPMENT PROGRAM</b> .....	185
	APPENDIX-L - OVERTIME .....	191
	APPENDIX-M - CONSENT DECREE .....	194
	APPENDIX-N - <b>STAND UP FOR STEEL</b> .....	208
	APPENDIX-O - FAMILY AND MEDICAL LEAVE POLICY .....	212
	APPENDIX-P - <b>WORK AND FAMILY</b> .....	218
	APPENDIX-Q - LINES OF PROGRESSION .....	220
	APPENDIX-R - SPLIT SCHEDULES .....	221
	APPENDIX-S - TESTING .....	222

APPENDIX-T - FUNCTIONS AND DUTIES COMMON TO BARGAINING AND NON-BARGAINING UNIT .....	224
<b>APPENDIX-U - AUTOMATION</b> .....	225
APPENDIX-V - TEMPORARY EMPLOYEES .....	226
APPENDIX-W - COMPENSATORY TIME OFF .....	227
APPENDIX-X - RATE RETENTION .....	228
<b>APPENDIX-Y - WORKPLACE VIOLENCE</b> ....	229
<b>APPENDIX-Z - WORKPLACE HARRASSMENT</b> .....	230
<b>APPENDIX-AA - JUSTICE AND DIGNITY</b> .....	232

**BOLD FACE TYPE** in text indicate the changes made by the August 1, 1999 Agreement.

In referring to employees, the masculine gender is used for convenience only and shall refer to males and females.

## **AGREEMENT**

This Agreement, dated **August 1, 1999**, is between Great Lakes Steel Division of National Steel Corporation (hereinafter referred to as the "Company") and United Steelworkers of America (hereinafter referred to as the "Union"). Except as otherwise expressly provided herein, the provisions of this Agreement shall be effective **August 1, 1999**.

The Union having been designated the exclusive collective bargaining representative of the employees of the Company as defined in Section 2-A - Coverage, the Company recognizes the Union as such exclusive representative. Accordingly, the Union makes this Agreement in its capacity as the exclusive collective bargaining representative of such employees.

**SECTION 1-A  
PURPOSE AND INTENT OF  
THE PARTIES AND  
COOPERATIVE PARTNERSHIP**

**A. Purpose**

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

**B. Cooperative Partnership**

National Steel Corporation and the United Steelworkers of America recognize that in order for the Corporation to meet the challenge of survival and the need for long-range prosperity, growth, and secure employment, each must be committed to a partnership that extends from the shop floor to the executive office to solve problems quickly and in a cooperative manner.

This agreement reflects such a realization and is based on the following realities and principles:

1. The viability of the Corporation and the Union depends on becoming the highest quality supplier of competitively priced steel products delivered on time. To achieve such a reality, the experience, skill, intelligence, and commitment of each employee will be needed and must be fully utilized to ensure continuous improvement for the best long term interests of all.
2. Employees are responsible and trustworthy and an environment must be developed in which employees on a daily basis are treated in accord with this belief.

*Section 1-A – Purpose and Intent of the Parties (cont.)*

**The parties will take immediate steps to build a truly participative style that views all members of the organization as assets.**

- 3. Individuals and work crews must make proper decisions related to their sphere of responsibility given the necessary information and training. Where possible, employees should be able to perform effectively with limited or no supervision.**
- 4. Efforts to establish greater participation at the shop floor or department level, though necessary, are by themselves inadequate to meet the demands of the current crisis or to build a solid foundation for the future of the employees and the Company.**
- 5. Both parties recognize that bringing about change in an ongoing operation is an extremely difficult task which must be approached realistically and patiently because of deep rooted attitudes and practices. Nevertheless, the parties agree that if the Corporation is to survive and provide long term security, these changes must be made and new forms of cooperation must immediately start to maximize opportunities to resolve problems and produce a lower cost, higher quality product delivered on time.**
- 6. Finally, both parties recognize that they can no longer afford the luxury of allowing such an undertaking to be a solely voluntary process in which members of either organization can choose whether or not to participate. The need is too great and too urgent. Because of this, the top management of National Steel Corporation and the USWA leadership are committed to making Cooperative Partnership work and it is a part of and has the full force of the contract.**

**C. Elements of the Cooperative Partnership Agreement**

**1. Joint Labor/Management Cooperation Committee**

**There shall be a Joint Labor/Management Cooperation Committee consisting of one Local**

*Section 1-A – Purpose and Intent of the Parties (cont.)*

**Union President, the Director-Human Resources, and the Senior Management person from each division; the two USWA District Directors who serve as Chairman and Secretary in negotiations with National Steel Corporation; the USWA Staff Representative servicing the Local Union(s) at each division; the Vice President-Human Resources; and the Director-Corporate Relations for National Steel Corporation. The Director-Personnel, Training, Compensation and Benefits, National Steel Corporation shall be permanent resources assigned to the Committee. The Director USWA District 7 shall be invited to attend committee meetings.**

**The committee shall meet at least semi-annually with the President of the Corporation and his staff, including the Vice President-Marketing and Sales, the Vice President-Planning and Technology, the Sr. Vice President-Finance, and the Director-Planning and Analysis. The Executive Board of National Steel Corporation and the President of the USWA International Union shall be invited and encouraged to attend and participate in all such meetings.**

**These meetings are designed to provide a forum to enhance union-management relations through improved communications and the discussion of significant business and labor issues and developments that are important to our employees, the Union, and the Corporation.**

**Among other things, these meetings will include: a review of capital investment plans and performance versus plan; a review of short and long-range business plans and performance versus such plans; safety and health results, customer evaluation, manpower planning, marketing plans, technological changes and plans, major organizational issues, facilities utilization, and other significant issues and concerns expressed by the members of the committee.**

**The Union members of the committee shall have the opportunity to offer input, comment, and advise concerning strategic decisions current and future**

plans; and the performance of the Corporation. Such input, comment, and advice shall be considered and, where possible and appropriate, will be reflected in the plans and activities of the Corporation. In any event, the Union will be provided feedback with regard to their input.

The results of the semi-annual meetings shall be conveyed to Local Union and management personnel by committee participants in order that the Local Union leadership and management are positioned to keep all employees informed and to allow further discussion of issues related to the division.

The committee shall also function as the Joint Union/Management Problem Solving Committee engaging in corporate-wide problem solving activities at the divisions.

The Committee shall also monitor division level Joint Labor/Management Cooperation Committees' attendance, participation and effectiveness, and shall facilitate joint efforts to ensure that the workforce is being managed effectively, in a cooperative and participative mode, and to direct the implementation of productivity improvement actions throughout the Corporation.

**2. Joint Labor/Management Cooperation/Problem Solving Committee-Divisions**

There shall be division-level Joint Labor/Management Cooperation Committees at the Regional Division (Great Lakes/Midwest Operation) and the Granite City Division. There shall be an equal number of Company and Union members on this committee. The members of the committee shall include the Senior Management person; the various department Directors, Manager of Employee Relations Local Union President, the International Union Staff Representative servicing the local union(s), and such other members of the local unions as may be appointed by the Local Union president to total not more than the total number of management members on the committee. The District Director for the district in which the

*Section 1-A – Purpose and Intent of the Parties (cont.)*

individual divisions is located shall be invited to participate in all regularly scheduled meetings of this committee.

This committee shall meet at least monthly to review: each month's performance of the division, including cost performance quality performance and shipments; the production plan for the next month; manpower planning; investment plans and performance against those plans; safety and health performance; implementation of the collective bargaining agreement; and other issues or concerns of interest to the parties.

The Committee shall be responsible to ensure that all employees receive joint education and training which supports the purpose and intent of Cooperative Partnership.

The Committee shall also be responsible for monitoring the cooperative activities within the Division to ensure that meetings are being held, information is being shared and that problem solving activities are being effectively structured and implemented.

The parties shall engage in an open and candid exchange of ideas and information at these meetings. All members should have adequate opportunity to consider new information and to provide whatever input, comment or advice they deem appropriate. Such input, comment, or advice shall receive due consideration and, when possible and appropriate, it will be reflected in the plans and activities of the division.

**3. Joint Labor/Management Cooperation Committee-  
Department Level (Process Area Group)**

Each major department shall have a Joint Labor/Management Cooperation Committee to be made up of equal members of management and Union representatives. The Company representatives will include the Department Director, Unit Managers, the Labor Relations Counselor responsible for the department. The Local Union President shall appoint a number of Union representatives to

*Section 1-A – Purpose and Intent of the Parties (cont.)*

**the committee consisting of the Divisional Grievanceman, Divisional Safety Chairman, and designated member of the Bargaining Unit; the committee shall equal the number of management representatives on the committee. The Local Union President, the Senior Management person, and Director-Human Resources or their designees shall be invited to attend and participate in all department-level Cooperation Committee meetings.**

**The Department Level Joint Labor/Management Cooperation Committees shall meet monthly. The matters discussed in the Department Level (Process Area Group) meetings shall be the same as those matters discussed in the Division Level meetings, but with more emphasis on issues more specifically related to the department, such as: department production scheduling, department safety issues, overtime, absenteeism, work assignments, manning issues, and other quality of work-life and organizational efficiency issues.**

**In this step, as in the others, the parties are encouraged to engage in an open and candid exchange of ideas and information. All members should have adequate opportunity to consider new information and to provide whatever input, comment, or advice they deem appropriate. Such input, comment, or advice shall receive due consideration and where possible and appropriate, it will be reflected in the plans and activities of the department.**

**The results of these and Intermediate Level meetings, including the information and opinions exchanged, the conclusions reached, and the level of participation achieved will be conveyed to all employees through their working groups by the Union representatives and department supervision.**

**4. Intermediate Level**

**Each Intermediate Group will be made of an equal number of Management and Union representatives. The Company representatives will include the Unit Manager and General Foreman or Foreman of the Unit. The Union Representatives will include the**

**Divisional Grievanceman (or Divisional Safety Chairman) and the Shop Steward.**

**The Intermediate Level Groups shall meet monthly. The matters discussed in the Intermediate Level meetings shall be the same as those matters discussed in the Department Level meetings, but with greater emphasis on issues related to specific areas within a department such as: area production scheduling safety issues, overtime, absenteeism, work assignments, manning issues, and other quality of worklife and organizational efficiency issues.**

**In this step, as in the others, the parties are encouraged to engage in an open and candid exchange of ideas and information. All members should have adequate opportunity to consider new information and to provide whatever input, comment, or advice they deem appropriate. Such input, comment, or advice shall receive consideration and, where possible and appropriate, it will be reflected in the plans and activities of the department.**

**5. Working Groups**

**The objective of the parties is to improve both the quality of worklife for the employees and the effectiveness of the Corporation. To achieve that objective, the parties concur that the Corporation must be managed to allow employees at all levels in the organization to meaningfully participate in decision making to support the Corporation's ability to be the lowest cost producer of quality steel products. This is particularly critical among the working groups at the shop floor level where there must be a high degree of cooperation and commitment between management and the bargaining unit employees.**

**Accordingly, there will be at least monthly meetings of all working groups which will be attended by all employees of these groups. The objective of such meetings will be to ensure that all employees meet at least monthly to discuss such matters as the Corporation's financial performance, production plans, investment plans, safety and health, market**

situations, overtime, and other concerns. In addition to general communications, these meetings shall be used as a forum wherein employees can identify issues affecting their work groups and participate in the development of solutions to these issues. Pursuant to this agreement, each management and bargaining unit employee is responsible to contribute his/her ideas and efforts to improve quality of worklife and the effectiveness of the operation.

Working groups are responsible to participate in problem solving activities on a continuing basis and the guidelines for problem solving at the working group level will be developed by the Joint Labor/Management Cooperation/ Problem Solving Steering Committee at each division to facilitate what problems and issues are appropriately addressed and that the matter will have the input and involvement of the appropriate decision makers from the Company and the Union.

#### **6. Problem Solving Process**

The Company and Union agree that employees at all levels of the organization must be involved in decision making and provide their input, commitment, and cooperation to improving productivity and helping National Steel become the lowest cost producer of quality steel products delivered on time. To facilitate employees input into the decision-making process, the parties agree that employees will participate with management and the Union in problem solving activities.

The problem solving process will be steered by the Joint Labor/Management Problem Solving Steering Committee, as provided in 1. above. The Steering Committee will engage in problem solving on a corporate-wide basis and provide leadership and direction for problem solving at the division level.

Problem solving at the division will be accomplished in a variety of ways as follows.

##### **a. Division Level**

*Section 1-A – Purpose and Intent of the Parties (cont.)*

**A Joint Labor/Management Problem Solving Committee will be established at each division consisting of six to ten members with equal membership of Union and Company representatives. The committee is responsible for engaging in division-wide problem solving and ensuring that problem solving is effectively implemented throughout the division consistent with the guidelines and principles outlined by the Joint Labor/Management Problem Solving Steering Committee.**

**The Division Problem Solving Committee will establish subcommittees, as appropriate, to address issues, problems, and concerns within the division. Subcommittees may be standing subcommittees who meet on a regular and continuing basis or they may be established on an adhoc basis to address specific matters that arise.**

**b. Department Level (Process Area Group)**

**Subcommittees will also be established within major departments and operating units. The subcommittees will concentrate their efforts on addressing issues and concerns that pertain to their area of operations. The department/unit head and an appropriate Union representative as appointed by the Local Union president will be assigned the responsibility for coordinating the implementation of problem solving subcommittees at the department/unit level including their personal participation, where appropriate, and their assistance in setting up subcommittees. Issues that arise in the implementation and administration of department/unit subcommittees and/or unresolved problems will be referred to the Divisional Joint Labor/Management Problem Solving committee for resolution.**

**c. Intermediate Groups**

**Intermediate groups will participate in problem solving activities as provided in (4) above.**

**d. Working Groups**

**Working groups at the shop floor level will participate in problem solving activities as provided in (5) above.**

**This process will not replace the grievance procedure in the Basic Labor Agreement.**

**7. Payment Procedures**

**a. Semi-annual Meetings**

**The Company will reimburse the Local Union Representatives for reasonable fees incurred in attending semi-annual meetings of the Joint Labor/ Management Cooperative and Problem Solving Steering Committees. Reasonable fees to include transportation, hotel accommodations, meals and other related business expenses. In addition, those Local Union Presidents who are not on full time status with the Local Union will be compensated for time lost from scheduled work as a result of their attendance at these semi-annual meetings. Such payment for any such lost time will be in accordance with existing local payment procedures and is subject to the Local Union President(s) continuing on non-full time status with the Union.**

**b. Division Level**

**Local Union Representatives participating in Joint Labor/Management Cooperative Committees and Problem Solving Committees/Subcommittees will be compensated for time lost from scheduled work to attend scheduled meetings in accordance with applicable pay procedures.**

**c. Employees will be compensated, in accordance with local payment procedures, for participating in problem solving and attending Cooperative Committee and working group meetings.**

**8. Cooperative Partnership Audit**

In order to assess the progress of the Cooperative Partnership at each Division, audits shall be performed on a semi-annual basis. The Joint Labor/Management Cooperation Committee shall develop detailed guidelines of an audit process to be followed as a minimum requirement. Responsibility to ensure that audits occur shall rest with a joint committee consisting of the Senior Management person, Director-Human Resources, Manager-Employee Relations, District Director, International Staff Representative, Local Union President(s) and Grievance Committee Chair(s).

**9. Annual Progress Visitation**

The Joint Leadership Group will annually visit the various divisions for the purpose of experiencing first hand how the cooperative effort is progressing.

**D. Increased Involvement**

Effective August 1993 the Joint Leadership Group of the JLMCC will meet monthly with the National Steel Executive Management Committee to discuss and review the strategic issues of National Steel. The strategic issues shall include, but not be limited to, items such as new technology, capital investment, market strategies, plant configuration, cash flow, profit and loss, strategic planning and business planning. In this way, USWA input will be considered and will have an impact in the decision making process of the Corporation. In addition to the monthly meetings with the National Steel Executive Management Committee, the Joint Leadership Group of the JLMCC may appear before and be heard by the Company's Board of Directors at appropriate times on matters with respect to the strategic issues which are of concern to the JLMCC, and such access shall be given prior to the Board reaching a decision on such matters. Further, the Union members of the Joint Leadership Group may regularly invite not more than two (2) additional Union personnel to join them in attendance at the monthly meetings of the National Steel Executive

**Committee. The Joint Leadership Group will establish a new technology development and implementation program (Technological Change Program) which shall include the following elements:**

**1. Advance Notice**

**The Company shall provide the Joint Leadership Group advance notice of any proposed significant technological change being considered by the Company no later than the beginning the Company's process for evaluating such a proposal. Such notice shall to the extent practicable contain available supporting information outlined below, and shall include updates of new or revised information necessary to full and current understanding of the proposed change. In the case of emergency technological changes, the Company shall give the maximum notice and information possible under the circumstances.**

**2. Information**

**The Company shall give the Joint Leadership Group the following information:**

**a description of the purpose and function of the technological change, and how it would fit into existing operations and processes; the estimated cost of the technology, a cost justification of it, and the proposed timetable for it;**

**disclosure of any service or maintenance warranties or contracts provided or required by the vendor (if any);**

**the number and type of jobs (both inside and outside the bargaining unit) which would be changed, added, or eliminated by the technological change;**

**the anticipated impact on the skill requirements of the work force;**

**details of any training programs connected with the new technology (including duration, content, and who will perform the training);**

*Section 1-A – Purpose and Intent of the Parties (cont.)*

**an outline of other options which were considered by the Company before formulating its proposed changes; and**

**the expected impact of the change on job content, pace of work, safety and health, training needs, and contracting out.**

**Union representatives on the Joint Leadership Group may request and receive access to Company personnel (including outside consultants) knowledgeable about any proposed technological change to review, discuss, and receive follow-up information concerning any technological changes proposed by the Company or Union or their effects on the bargaining unit.**

**The use of the information contemplated by this subsection will be covered by a confidentiality agreement in form and substance satisfactory to the parties.**

**3. Union Involvement in Company Decision to Make Technological Changes**

**With respect to any Company decision whether to make a technological change, Union representatives on the Joint Leadership Group may initiate discussion and consideration of technological changes that are new or different from those proposed by the Company. In all events, the views expressed by the Union members of the Group shall be considered by the Company.**

**4. Union Joint Input into Decision-Making Authority with Respect to Effects of Technological Change**

**The views of the Union members of the Joint Leadership Group over the effects of technological change will be fully considered by their Company counter parts, including the following: the number and type of jobs required by the changed technology; the skill and training requirements for each new job; the details of any new or changed training associated with the technology; the inclusion of such job in the bargaining unit; any new work rules**

*Section 1-A – Purpose and Intent of the Parties (cont.)*

**or operating procedures associated with the technology; and any health, safety, or environmental programs required by the technology.**

**As used herein, the term "technology" shall include machinery, equipment, controls, materials, and software; the phrase "technological change" shall refer to introductions of new technology, changes in existing technology, or both.**

**This section shall not be construed as giving management greater unilateral decision making rights regarding technological change than it would have had in the absence of this section.**

**SECTION 1-B  
PRODUCTIVITY**

National Steel Corporation (NSC) and the United Steelworkers of America (USWA) believe that a strong and viable Company and Union is one of the foundations for guaranteeing employment security, superior working conditions, and a high standard of living for the Company's employees and retirees.

The Company agrees to provide employment security in return for the Union's agreement to substantially improve productivity, decrease man-hours per ton, and increase operational effectiveness. No employees will be laid off during the term of the Agreement, provided that no disasters occur. Manpower will decrease, but only by attrition. All employees will be fully utilized through a variety of mutually agreed-to assignment alternatives and will be appropriately compensated for their efforts.

The USWA recognizes that the Company is committed to a capital improvement plan to insure the Company will be a viable producer of quality products, delivered on time to our customers. To help reach the above goals; however, investment alone will not ensure competitive, high-quality products and superior working conditions. Intense international and domestic competition demands aggressive steps to allow NSC to quickly become competitive in a world market so that the Company will be able to attract investment funds and be able to guarantee its employees the quality of life they deserve. The two parties agree that even though NSC employees have made great contributions to improve productivity - Union and Management are committed to increasing their efforts to increase productivity to meet the joint goal of continual improvement.

In addition to capital investment, significant gains in productivity can be made through reducing the workforce; but, it is in the best interests of both parties that manpower reductions be accomplished through attrition. Manpower reduction will have a proportional and equitable impact upon represented and non-represented employees and will be managed through attrition.

In the process of achieving this goal, no undue burden will be placed on the employees. The parties believe that the contri-

*Section 1-B – Productivity (cont.)*

butions of all employees will result in the achievement of productivity goals and all employees must work together to find and implement ways of improving operations, making effective labor-saving investments, and fully and flexibly utilizing the employees' talents and abilities, and maintaining the workforce by hiring employees when necessary to perform the work.

NSC recognizes that this task presents a major challenge requiring its utmost efforts. Therefore, management is committed to ensuring that there are no abuses in overtime, no adverse effects to production, and that the quality of worklife for the employees is maintained and improved. In summary, the USWA Leadership and NSC recognize that total commitment by all employees, from top management to the shop floor, will be necessary to ensure that NSC becomes and continues to be a strong and innovative Company, not bound by the past - but dedicated to innovative approaches to reach our joint goals.

The USWA is committed to work with the Company to identify and implement actions to improve productivity and the Company recognizes and is willing to offer incentives to achieve productivity. The parties believe that these commitments will strengthen and increase the viability of the Company and the Union.

**The USWA recognizes that to assure employment security, substantial productivity improvements must be made to reduce costs and to enable NSC to operate with increased effectiveness. The parties at each plant shall pursue and implement new approaches to enhance effectiveness such as: redesigning work; restructuring jobs, job combinations; assignment of minor or routine maintenance and maintenance assist to production employees; increasing assignment flexibility; modifying restrictive work rules and practices; and providing flexibility in seniority and scheduling procedures to facilitate productivity improvements. The above is not intended to be all inclusive or intended to restrict the parties from being innovative and creative in finding other ways to improve effectiveness and productivity. The parties realize that such improvements are not intended to place unreasonable workload burdens on any employee. These principles shall also apply in the operation and staffing of new and changed facilities/equipment result-**

ing from capital investment.

To ensure implementation pursuant to this Productivity Agreement, the following procedure will be used before the Company exercises its rights to implement while at the same time protecting the Union and employees from abuse:

1. **Communication of the Company's intent in writing to implement an action to increase productivity will be made to the appropriate division-level Union representatives.**
2. **The appropriate division-level Company and Union representatives will meet to identify and discuss any issues and/or concerns associated with the Company's intended action. The Union may also suggest alternatives.**
3. **After discussion and a review of the facts, the Company will notify the Union in writing of its decision. If the Union does not agree with that decision, the matter may be referred in writing to the NSC/USWA Joint Leadership Group for prompt review and discussion. In such case, the Company shall delay implementation of its decision, provided that the matter is referred to the JLG within seven (7) calendar days of receipt of the Company's written notice to the Union.**
4. **If the JLG is unable to reach agreement on the Company's intended action, the matter shall be returned to the division. The Chairman of the Grievance Committee may appeal the matter to arbitration within seven (7) calendar days of receipt of written notice from the JLG that it was unable to resolve the matter. Any such appeal must be scheduled, heard and decided within sixty (60) calendar days of the date of appeal. The Company may not implement an intended action prior to the decision of the arbitrator.**

**The arbitrator shall have the authority to decide whether the Company's proposed action is unreasonable or inconsistent with the purpose and intent of the Productivity Agreement, or whether any alter-**

**natives offered by the Union better meet that purpose and intent. The arbitrator may not authorize a proposed action that conflicts with other provisions of the Basic Labor Agreement, and may not authorize a change to or elimination of a written local agreement (except to the extent that the basis for such agreement has been changed or eliminated as provided in Section 2-B of the Basic Labor Agreement).**

#### **Self Direction**

All employees must accept more responsibility for their individual work performance.

The bargaining unit position of Crew Coordinator shall be established and implemented. Crew Coordinators will assign, instruct, coordinate, and work with crews, as well as participate in planning and decision making with supervision. A one and one-half (1<sup>1/2</sup>) Salary Grade additive shall be paid. Selection and performance review procedures shall be adopted by the parties to assure Crew Coordinator effectiveness.

#### **Training and Retraining**

The Company will provide training necessary to achieve the successful implementation of the productivity provisions, including the necessary training to assure the replacement depth required to effectively staff plant operations. The Union will cooperate fully in the development and implementation of training programs and procedures. As in the past, the parties will continue to solicit assistance from Federal, State, and Local government authorities to aid in the implementation of this agreement.

#### **Benefits**

The parties foresee that full implementation of the provisions of the Employment Security/Productivity Agreement will result in significant benefits to both the employees and the Company. These benefits include:

1. Employment security for employees of the Company.
2. Reduction of excessive overtime.

*Section 1-B – Productivity (cont.)*

3. Retrieving work that would otherwise be contracted out to fully utilize the employment security pool.
4. Increase the viability of the Union and the Company.
5. Increase employee job satisfaction and pride.
6. Retirement incentives.
7. Increase promotional opportunities and job levels for many employees.
8. Union and employee involvement in the Company decision-making process and increased responsibility for individual work performance.
9. A Productivity Gainsharing Plan which recognizes measurable productivity improvements resulting from implementation of this Agreement and resulting in monetary incentives for all employees.
10. A Profit Sharing Plan which allows employees to be rewarded for their contributions to improved productivity.

**SECTION 1-C  
EMPLOYMENT SECURITY PLAN**

A. Scope

1. Employees covered by this Employment Security Plan ("Plan") will not be laid off except in the case of a disaster. If a disaster occurs resulting in the layoff of employees, the Plan will be terminated and the provisions of all SUB Plans will apply. For the purpose of this agreement, "disaster" is defined as:
  - a. The permanent shutdown of a plant.
  - b. A petition in bankruptcy for reorganization or liquidation is filed, and **the court finds it is necessary to reject this agreement and** issues an order under the bankruptcy laws authorizing such rejection.
  - c. **Severe financial difficulties short of bankruptcy filing. Such financial difficulties must represent a clear and present danger to the Company's viability. Disputes concerning this paragraph shall be subject to arbitration pursuant to a special emergency procedure to be agreed upon by the parties. Termination can occur under this paragraph c. only by mutual agreement of the parties or upon a finding by the arbitrator that the financial difficulty asserted by the Company does in fact represent a clear and present danger to the Company's continued viability.**
2. In addition, in the event of a strike or work stoppage by employees covered by this agreement, the Plan would be suspended for the duration of such strike or work stoppage.

B. Eligibility

1. Employees eligible for employment security are:
  - a. All full-time employees (excluding temporary employees) employed before the effective date of the agreement.

*Section 1-C – Employment Security Plan (cont.)*

- b. All full-time active employees (excluding temporary employees) **employed prior to August 1, 1999**, who accumulate two (2) years of continuous service; provided, however, that any such employees who are on layoff or unavailable for work at the time they accumulate two (2) years of continuous service shall not be eligible for Employment Security until such time as they are recalled and/or return to active employment.
  - c. **All full time active employees (excluding temporary employees) hired on or after August 1, 1999, who accumulate three (3) years of continuous service; provided, however, that any such employees who are on layoff or unavailable for work at the time they accumulate three (3) years of continuous service shall not be eligible for Employment Security until such time as they are recalled and/or return to active employment.**
- 2. Employees eligible for employment security must continue to fully satisfy the terms and conditions of employment.
  - 3. Under the Plan, there is no option for employees to elect voluntary layoffs.
  - 4. Any employee in the Employment Security Pool ("Pool") who refuses to accept a job or perform an assignment described below in Section C, except for safety and health reasons as defined in Section 14-C of this Agreement, shall immediately lose his Employment Security status.
    - a. Such employee shall thereupon be placed in special leave of absence status commencing with his refusal and terminating on the earlier of:
      - (1) the date the employee would have been recalled had he been laid off, or
      - (2) the date the employee would have broken service under Section 13 had he been laid off.
    - b. On termination of the special leave of absence, the

*Section 1-C – Employment Security Plan (cont.)*

employee will be recalled in accordance with his seniority rights provided his continuous service has not been broken.

- c. While in special leave of absence status, an employee will be treated the same as an employee granted a leave of absence under Section 13 of this Agreement except that an employee in special leave of absence status shall continue to accrue continuous service only so long as he would have had he been on layoff. If an employee would be eligible for and collect unemployment benefits, then his special leave would terminate and the employee would be required to immediately return to the Pool and any failure to return and refusal to accept a job or perform an assignment from the Pool would result in a break in continuous service and termination of employment with the Company.
- d. This special leave of absence option described immediately above shall not be available to any employee who is in training following placement in the Pool.

**C. Placement**

- 1. During the term of the Agreement, an employee who otherwise would have been laid off, will be retained in the Pool. Employees assigned to the Pool will be utilized in a variety of ways throughout the plant (see assignment examples referenced below). Basic seniority principles, including those set forth in the Consent Decree, will be applied to assignments from the Pool, and to reduction of forces, as well as continuing to govern the filling of permanent vacancies.
  - a. Assignment examples:
    - (1) Traditional assignments:
      - (a) Temporary vacancies - including vacancies that would otherwise be filled by overtime.
      - (b) Work that otherwise would be contracted out.

*Section 1-C – Employment Security Plan (cont.)*

- (2) Non-traditional assignments, such as:
- (a) Work Redesign Teams
  - (b) Statistical Process Quality Control
  - (c) Standard Operating Procedure Teams
  - (d) Training and Retraining
  - (e) Customer Service Assignments
  - (f) Quality and Yield Teams
  - (g) Training Instructors/Facilitators
  - (h) Quality Circles
  - (i) Technical Problem Solving Groups

2. For purposes of assignment of employees in the Pool, the parties agree that employees will be assigned to perform jobs or tasks which are compatible with their skills, capabilities, and qualifications consistent with paragraph C.1.

D. Rates of Pay

1 The following shall govern rates of pay in association with assignments to the Pool and assignments from the Pool:

- a. The hourly equivalent salary rate of employees' job last held prior to being placed in the Pool shall be paid to employees assigned to non-traditional jobs or training.
- b. The established rate of pay, for the job performed shall be paid to employees assigned to traditional jobs. In addition, while performing work under such circumstances, such employee shall receive such special allowance as may be required to equal the earnings the employee would have received on the job last held prior to being placed in the Pool.

E. Safeguards

*Section 1-C – Employment Security Plan (cont.)*

If the Plan is terminated during the term of this Agreement, all 1989 SUB Plans shall be deemed to be 100% funded as of the date of such termination and the Company shall be required to begin to accrue liability and make cash contributions as required by the 1989 SUB Plans.

**F. Procedures**

1. The parties agree and commit themselves to the immediate and ongoing implementation of this Plan by establishing the following structure:
  - a. A Joint Labor/Management Committee called the "Employment Security/Productivity Committee" will be established at each plant within 60 days from the effective date of this Agreement. This committee shall consist of an equal number of Union and Company members. The Union designates their representatives to include: an International Union Staff Representative, the Local Union President(s), and any additional resource individuals as may be necessary to ensure implementation at the plant level. The Company representatives will be designated by the Division Vice President and General Manager.
  - b. The Committee shall be responsible for investigating, determining, and implementing productivity improvement plans and options. The Committee will also address such issues as training/retraining of employees, and ways or methods to promote and accommodate a more self-directed workforce. The Committee will meet on an as needed basis but not less than once per week.
  - c. Committee members will be compensated for participation in accordance with local payment procedures.
  - d. Matters related to excessive overtime and contracting out will be addressed by separate committees.

**G. General Provisions**

1. Except as expressly provided in this agreement or in rules approved by the Employment Security/Productivity Committee or Review Board, the applica-

*Section 1-C – Employment Security Plan (cont.)*

tion of this Plan shall not interfere with, limit, or in any way adversely affect the rights or obligations of the Union, any employee or the Company.

2. Jobs to which employees in the Pool are assigned under Section C of the plan shall be considered "temporary vacancies" within the meaning of Section 13 of this Agreement. Experience in such assignments shall not be used as presumption of greater ability in favor of a junior employee who bids for any subsequent permanent vacancy in such a job unless the assignment was made available to and refused by the senior employee.

**H. Appeal Process and Review Board**

It is understood that during the term of this agreement, there may be disputes as to the intent of the parties as to this Agreement. Therefore, a Review Board shall be established to address disputes and to provide direction when necessary to foster full cooperation and implementation. The membership for the Review Board will be the Company and the Union Chairmen and Co-Chairmen of the Negotiating Committee. The Board will meet on an as needed basis but no less than once per calendar quarter. The Board may develop appropriate procedures and mechanisms to ensure that the parties are satisfying their joint obligations and that their actions are consistent with the full intent of the Sections 1-B and 1-C of this Agreement. In the event that the Review Board fails to resolve a dispute, either party may submit such dispute to final binding arbitration.

**SECTION 2-A  
COVERAGE**

1. The term "employee" as used in this Agreement applies to all individuals occupying office and technical jobs employed in and about the steel manufacturing and by-products coke operations of the Company in Ecorse and River Rouge, Michigan for which unit the Union is recognized as the exclusive collective-bargaining representative. The term "employee" does not apply to individuals occupying professional, production and maintenance, Co-Op, watchman, guard, or confidential clerical positions, or supervisory positions, of foreman level and above, as defined by the N.L.R.A.
2. When Management establishes a new or changed job in a plant so that duties involving a significant amount of office and technical work or both which is performed on a job within the bargaining unit (or, in the case of new work, would be performed on such a job) are combined with duties not normally performed on a job within the bargaining unit. The resulting job in the plant shall be considered as within the bargaining unit. This provision shall not be construed as enlarging or diminishing whatever rights exist in respect of withdrawal of non-bargaining unit duties for a job in the bargaining unit, provided that where non-bargaining unit duties are placed in a job in the bargaining unit under this provision, such duties may be withdrawn at any time. Management shall, on request, furnish to the Union reasonable information to permit determination of questions of compliance with this provision.
3. Any supervisor at a plant shall not perform work on a job normally performed by an employee in the bargaining unit at such plant; provided, however, this provision shall not be construed to prohibit supervisors from performing the following types of work:
  - a. experimental work:
  - b. demonstration work performed for the purpose of instructing and training employees:
  - c. work required of the supervisors by emergency conditions which if not performed might result in

*Section 1-C – Employment Security Plan (cont.)*

interference with operations, bodily injury, or loss or damage to material or equipment; and

- d. work which, under the circumstances then existing, it would be unreasonable to assign to a bargaining unit employee which is one (1) hour or less in amount.

Work which is incidental to supervisory duties on a job normally performed by a supervisor, even though similar to duties found in jobs in the bargaining unit, shall not be affected by this provision.

If a supervisor performs work in violation of this Subsection 2-A-3 and the employee who otherwise would have performed this work can reasonably be identified, the Company shall pay such employee the applicable hourly equivalent salary rate for the time involved or for four hours, whichever is greater.

**SECTION 2-B  
LOCAL WORKING CONDITIONS**

The term "local working conditions" as used herein means specific practices or customs which reflect detailed application of the subject matter within the scope of wages, hours of work, or other conditions of employment and includes local agreements, written or oral, on such matters. It is recognized that it is impracticable to set forth in this Agreement all of these working conditions, which are of a local nature only, or to state specifically in this agreement which of these matters should be changed or eliminated. The following provisions provide general principles and procedures which explain the status of these matters and furnish necessary guideposts for the parties hereto.

1. It is recognized that an employee does not have the right to have a local working condition established, in any given situation or plant where such condition has not existed, during the term of this Agreement or to have an existing local working condition changed or eliminated, except to the extent necessary to require the application of a specific provision of this Agreement.
2. In no case shall local working conditions be effective to deprive any employee of rights under this Agreement. Should any employee believe that a local working condition is depriving him of the benefits of this Agreement, he shall have recourse to the grievance procedure and arbitration, if necessary, to require that the local working condition be changed or eliminated to provide the benefits established by this Agreement.
3. Should there be any local working conditions in effect which provide benefits that are in excess of or in addition to the benefits established by this Agreement, they shall remain in effect for the term of this agreement, except as they are changed or eliminated by mutual agreement or in accordance with paragraph 4 below.
4. The Company shall have the right to change or eliminate any local working condition if, as the result of action taken by Management under Section 3 – MANAGEMENT, the basis for the existence of the local working condition is changed or eliminated, thereby making it unnecessary to continue such local working condition;

*Section 2-C – Local Working Conditions (cont.)*

provided, however, that when such a change or elimination is made by the Company any affected employee shall have recourse to the grievance procedure and arbitration, if necessary, to have the Company justify its action.

5. No local working condition shall hereafter be established or agreed to which changes or modifies any of the provisions of this Agreement, except as it is approved in writing by the District Director of the International Union, or his designated representative, and the Director of Human Resources of the Company, or his designated representative. Local agreements and practices established after August 4, 1956, are valid and enforceable if they are not in violation of the preceding sentence.
6. The settlement of a grievance prior to arbitration under the local working conditions provisions of this Agreement shall not constitute a precedent in the settlement of grievances in other situations in this area.
7. Each party shall as a matter of policy encourage the prompt settlement of problems in this area by mutual agreement.

## SECTION 2-C CONTRACTING OUT

The parties recognize the seriousness of the problems associated with contracting out of work both inside and outside the plant and have accordingly agreed that the following provisions shall be applicable to all contracting out issues subject to, and arising on or after the effective date of this Agreement.

### A. Basic Prohibition

In determining whether work should be contracted out or accomplished by the bargaining unit, the guiding principle is that work capable of being performed by bargaining unit employees shall be performed by such employees. Accordingly, the Company will not contract out any work for performance inside or outside the plant unless it demonstrates that such work meets one of the following exceptions.

### B. Exceptions

#### 1. Work in the Plant

- a. Clerical and technical work within a plant may be contracted out if (1) the consistent practice has been to have such work performed by employees of contractors and (2) it is more reasonable (within the meaning of Paragraph C below) for the Company to contract out such work than to use its own employees.
- b. Major projects at any plant may be contracted out subject to any rights and obligations of the parties which have been applicable at that plant prior to ratification in the case of any plant which was in operation on or before August 1, 1961. With respect to any other plant, the period commencing date shall be five years after the date on which the plant started operations.

A project shall be deemed major so as to fall within the scope of this exception if it is shown by the Company that the project is of a grander or larger scale when compared to other projects bargaining unit forces at the plant are normally expected to

do. Such comparisons should be made in the light of all relevant factors.

2. Work Outside the Plant

- a. Should the Company contend that clerical or technical work to be performed outside the plant should be excepted from the prohibitions of this Section, the Company must demonstrate that it is more reasonable (within the meaning of Paragraph C below) for the Company to contract for such work than to use its own employees to perform the work.
- b. **Notwithstanding the above, the Union recognizes that as part of the Company's normal business, it may purchase standard components or parts or supply items, produced for sale generally ("shelf items"). No item shall be deemed a standard component or part or supply item if**
  - (i) **its fabrication requires the use of prints, sketches, or detailed manufacturing instructions supplied by the Company or at the Company's behest or by another company engaged in producing or finishing steel [producing iron ore] or it is otherwise made according to detailed Company specifications or those of such other company; or**
  - (ii) **it involves a unit exchange; or**
  - (iii) **it involves the purchase of electric motors, engines, transmissions, or converters under a core exchange program (whether or not title to the unit passes to the vendor/purchaser as part of the transaction), unless such transaction is undertaken with an original equipment manufacturer, or with one of its authorized dealers, provided that the items in the core exchange program that are sold to the Company are rebuilt using instructions and parts supplied by the original equip-**

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

**It is further provided that adjustments in the length, size, or shape of a shelf item, so that it can be used for a Company specific application, shall be deemed for the purposes of this Article Two-B-2-a to be fabrication work performed outside the plant.**

**With respect to shelf items, the Company may purchase goods, materials, and equipment, where the design or manufacturing expertise involved is supplied by the vendor as part of the sale.**

**3. Mutual Agreement**

Work contracted out by agreement of the parties pursuant to Paragraph F below.

**C. Reasonableness**

In determining whether it is more reasonable for the Company to contract out work than use its own employees, the following factors shall be considered:

- 1. Whether the bargaining unit will be adversely impacted.**
- 2. Another factor in determining whether it is more reasonable for the Company to contract out work than use its own employees is the employment security of the workforce, provided, however, that the necessity of hiring new employees to perform work which has been previously contracted out shall not be deemed a negative factor in retrieving such work except for work of a temporary nature.**
- 3. Desirability of recalling employees on layoff.**
- 4. Availability of qualified employees (whether active or on layoff) for a duration long enough to complete the work.**
- 5. Availability of adequate qualified supervision.**

*Section 2-C – Contracting Out (cont.)*

6. Availability of required equipment either on hand or by lease or purchase, provided that either the capital outlay for the purchase of such equipment, or the expense of leasing such equipment, is not an unreasonable expenditure in all the circumstances at the time the proposed decision is made.
7. The expected duration of the work and the time constraints associated with the work.
8. Whether the decision to contract out the work is made to avoid any obligation under the collective bargaining Agreement or benefits agreements associated therewith.
9. **Whether the work is covered by a warranty necessary to protect the Company's investment. For purposes of this subparagraph, warranties are intended to include work performed for the limited time necessary to make effective the following seller guarantees:**
  - a. **Manufacturer guarantees that new or rehabilitated equipment or systems are free of errors in quality, workmanship or design.**
  - b. **Manufacturer guarantees that new or rehabilitated equipment or systems will perform at stated levels of performance and/or efficiency subsequent to installation.**

**For equipment or systems ordered after August 1, 1999, and for the purposes of this factor only, the warranties referenced in a. and b. above may not be relied upon by the Company for more than 18 months following acceptance; provided, however, warranties of a longer duration may be relied upon if the Company (i) demonstrates that at the time of the sale such longer warranties are the manufacturer's published standard warranties actually offered to customers in the normal course of business; and (ii) reviews the documents relating to the warranty and the sales price with the union members of the contracting out committee at or near the time of the purchase.**

## *Section 2-C – Contracting Out (cont.)*

Warranties are commitments associated with a particular product or service in order to assure that seller representations will be honored at no additional cost to the Company. Long-term service contracts are not warranties for the purposes of this Subparagraph.

10. In the case of work associated with leased equipment, whether such equipment is available without a commitment to use the employees of outside contractors or lessors for its operation and maintenance.
11. Whether, in connection with the subject work or generally, the Local Union is willing to waive or has waived restrictive working conditions, practices or jurisdictional rules (all within the meaning of "local working conditions") and the authority provided by this Agreement.

### **D. Contracting Out Committee**

1. At each plant a regularly constituted Committee consisting of not more than four persons (except that the Committee may be enlarged to six persons by local agreement), half of whom shall be members of the bargaining unit and designated by the Union in writing to the plant management and the other half designated in writing to the Union by the plant management, shall attempt to resolve problems in connection with the operation, application and administration of the foregoing provisions.
2. In addition to the requirements of Paragraph E below, such Committee may discuss any other current problems with respect to contracting out brought to the attention of the Committee.
3. Such Committee shall meet at least one time each month.

### **E. Notice and Information**

Before the Company finally decides to contract out an item of work, including an item which the Company asserts is a Shelf Item, the Union Committee members will be notified. Such notice will be given in sufficient time to permit the Union to invoke the Expedited Procedure described in Paragraph G below, unless emergency situations do not permit it. Such

*Section 2-C – Contracting Out (cont.)*

notice shall be in writing and shall be sufficient to advise the Union members of the Committee of the location, type, scope, duration and timetable of the work to be performed so that the Union members of the Committee can adequately form an opinion as to the reasons for such contracting out. Such notice shall generally contain the information set forth below:

1. Location of work
2. Type of work:
  - a. Clerical
  - b. Technical
3. Detailed description of the work
4. Occupations involved
5. Estimated duration of work
6. Anticipated utilization of bargaining unit forces during the period
7. Effect on operations if work not completed in timely fashion.

Within ninety (90) days following the effective date of this Agreement, Headquarters representatives of the parties shall develop a form notice for the submission of the information described above. Either the Union members of the Committee or the Company members of the Committee may convene a prompt meeting of the Committee. Should the Union Committee members believe a meeting to be necessary, they shall so request the Company members in writing within five (5) days (excluding Saturdays, Sundays and Holidays) after receipt of such notice and such a meeting shall be held within three (3) days (excluding Saturdays, Sundays and Holidays) thereafter. The Union members of the Committee may include in the meeting the Union representative from the area in which the matter arises. At such meeting, the parties should review in detail the plans for the work to be performed and the reasons for contracting out such work. Upon their request, the Union members of the Committee will be provided relevant information in the

Company's possession relating to the reasonableness factors set forth in Paragraph C above. Included among the information to be made available to the Committee shall be an opportunity to review copies of any relevant proposed contracts with the outside contractor. This information will be held in complete confidence by each involved Union representative. The Management members of the Committee shall give full consideration to any comments or suggestions by the Union members of the Committee and to any alternate plans proposed by Union members for the performance of the work by bargaining unit personnel. Except in emergency situations, such discussions, if requested, shall take place before any final decision is made as to whether or not such work will be contracted out.

Should the Company Committee members fail to give notice as provided above, then no later than thirty (30) days from the date of the commencement of the work a grievance relating to such matter may be filed under the complaint and grievance procedure, except in the case of clerical or technical work contracted for performance outside the Plant the thirty (30) day period shall begin running when the Union becomes aware or reasonably should have known that such work has been contracted out. Should it be found in the arbitration of a grievance alleging a failure of the Company to provide the notice or relevant information in the Company's possession required under this Paragraph E that such notice or information was not provided, that the failure was not due to an emergency requirement, and that such failure deprived the Union of a reasonable opportunity to suggest and discuss practicable alternatives to contracting out, the Arbitrator shall have the authority to fashion a remedy, at its discretion, that it deems appropriate to the circumstances of the particular case. Such remedy, if afforded, may include earnings and benefits to the grievants who would have performed the work, if they can be reasonably identified.

#### **F. General Provisions**

**Where at a particular plant, it found in a case arising subsequent to August 1, 1999, that the company (i) engaged in conduct which constitutes willful or repeated violations of paragraph E, the first of which occurred on or after August 1, 1998; or (ii) violated a cease and desist order previously issued by an arbitrator in connection with a violation of paragraph E arising on or after**

**August 1, 1998; or (iii) in cases, the earliest of which arose on or after August 1, 1999, engaged in a pattern of conduct of repeated violations of paragraph E but where no remedy was otherwise appropriate because of practical overtime limits or the unavailability of employees to perform the improperly contracted out work, the arbitrator shall, as circumstances warrant, fashion a remedy or penalty specifically designed to deter the behavior described in (i), (ii), or (iii), above.**

#### G. Mutual Agreement and Disputes

The Committee may resolve the matter by mutually agreeing that the work in question either shall or shall not be contracted out. Any such resolution shall be final and binding but only as to the matter under consideration and shall not affect future determinations under this Section.

**No agreement entered into after August 1, 1999, whether or not reached pursuant to this Section, which directly or indirectly permits the contracting out of work on an ongoing basis, shall be valid or enforceable unless it is (i) in writing, and (ii) signed by both the President and Chairman of the grievance Committee of the affected local union.**

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

1. By filing a complaint relating to such matter under the complaint and grievance procedure described in Sections 6 and 7 within thirty (30) days from the date of the Company's notice, or
2. By filing a grievance relating to such matter within five (5) days (excluding Saturdays, Sundays and Holidays) from the date of the Company's notice or the date of the contracting out meeting, whichever is later, and thereafter submitting that grievance to the Expedited Procedure as set forth in Paragraph H, below.

#### H. Expedited Procedure

In the event that either the Union or Company members of the Committee request an expedited resolution of a grievance,

*Section 2-C – Contracting Out (cont.)*

ance arising under this Section, it shall be submitted to the Expedited Procedure in accordance with the following:

1. In all cases except those involving day-to-day clerical and technical work, or emergencies, the Expedited Procedure shall be implemented prior to letting a binding contract.
2. Within three (3) days (excluding Saturdays, Sundays and Holidays) after either the Union or Company members of the Committee determine that the Committee cannot resolve the dispute, either party (Chairman of the Grievance Committee in the case of the Local Union and the Chief Contract Administrator in the case of the Company) may advise the other in writing that it is invoking this Expedited Procedure.
3. An expedited arbitration must be scheduled within three (3) days (excluding Saturdays, Sundays and Holidays) of such notice and heard at a hearing commencing within five (5) days (excluding Saturdays, Sundays and Holidays) thereafter. The Arbitrator, or his appointee, shall hear the dispute and, if no Arbitrator is available to hear the dispute within five (5) days, another arbitrator shall be selected by mutual agreement of the Step No. 4 Representative of the Union and the Step No. 4 Representative of the Company.
4. The arbitrator must render a decision within forty-eight (48) hours (excluding Saturdays, Sundays and Holidays) of the conclusion of the hearing. Such decision shall not be cited as a precedent by either party in any future contracting out disputes.
5. Notwithstanding any other provision of this Agreement, any case heard in this Expedited Procedure before the work in dispute was performed may be reopened by the Union in accordance with this paragraph if such work, as actually performed, varied in any substantial respect from the description presented in arbitration except where the difference involved a good faith variance as to the magnitude of the project. The request to reopen the case must be submitted within seven (7) days of the date on which the Union knew or should have known of the variance and shall contain a summary of the ways in which the work as actually performed differed from

## *Section 2-C – Contracting Out (cont.)*

the description presented in arbitration. As soon as practicable after receipt of a request to reopen, an arbitration hearing date shall be scheduled. In a case reopened pursuant to this paragraph, the arbitrator shall determine whether the work in dispute, as it actually was performed, violated the provisions of Section 2-C and, if so, the remedy. The prior decision regarding the subject work shall be considered in the determination and given weight in the subsequent dispute, except to the extent that it relied on an erroneous description.

### **I. Contractor Testifying in Arbitration**

No testimony offered by an outside contractor may be considered in any proceeding alleging a violation of Section 2-C unless the party calling the contractor provides the other party with a copy of each contractor document to be offered at least forty-eight (48) hours (excluding Saturdays, Sundays and Holidays) before the commencement of the hearing.

### **J. Annual Review**

Commencing on or before March 1 of each year the Company Committee members shall meet with the Union Committee members for the purpose of (1) reviewing all work whether inside or outside the plant which the Company anticipates may be performed by outside contractors or vendors at some time during the following calendar year, (2) determining such work which should be performed by bargaining unit employees and (3) identifying situations where the elimination of restrictive practices would promote the performance of any such work by bargaining unit employees. The Union Committee members shall be entitled in conducting this study to review any current or proposed contracts concerning items of work performed by the Company by outside contractors and vendors and shall keep such information confidential.

By no later than April 1 of each year the Local Union and Company Committee members shall jointly submit a written report to the office of the International President and the Co-Chairmen of the Negotiating Committee or their designees describing the results of this review. Specifically, the report should list (a) all items of work which the parties agree will be performed by bargaining unit employees during the following year, (b) all items of work which the parties agree should be

## *Section 2-C – Contracting Out (cont.)*

performed by outside contractors and vendors, and (c) those items on which the parties disagree. If the parties disagree, the report will state the reason for such disagreements.

As to individual items of work, the Co-Chairmen of the Negotiating Committee may (a) affirm the plant recommendation, (b) disagree with respect to the plant recommendation as to specific items and either (1) refer their dispute to arbitration under a procedure to be established by the parties and the Impartial Umpire or (2) refer matters back to the plant without resolution in which event the specific disputes will be handled under the provisions of this section at the time they may arise.

### **K. Appeal**

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

**SECTION 3  
MANAGEMENT**

The management of the works and the direction of the working forces, including the right to hire, suspend, terminate, or discharge for proper cause, and the right to relieve employees from duty because of lack of work, or for other legitimate reasons, is vested exclusively in the Company provided that this will not be used for purposes of discrimination against any member of the Union nor will it be used contrary to any other provision of this Agreement. It is further understood and agreed that the foregoing statement of Management functions shall not be deemed in any way to exclude other Management functions not specifically enumerated.

**SECTION 4  
RESPONSIBILITIES OF THE PARTIES**

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

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

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

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

1. There shall be no intimidation or coercion of employees into joining the Union or continuing their membership therein.
2. There shall be no strikes, work stoppages, or interruption or impeding of work. No officer or representative of the Union shall authorize, instigate, aid, or condone any such activities. No employee shall participate in any such activities.
3. The applicable procedures of this Agreement will be followed for the settlement of all grievances.
4. There shall be no interference with the right of employees to become or continue to be members of the Union.
5. There shall be no discrimination, restraint, or coercion against any employee because of membership in the Union.
6. There shall be no lockouts.
7. All grievances shall be considered carefully and processed promptly in accordance with the applicable procedures of this Agreement.
8. There shall be no discrimination against any employee on account of sex, race, creed, color or national origin, handicap, status as a disabled veteran or veteran of the

#### *Section 4 – Responsibilities of the Parties (cont.)*

Vietnam era, sex or age in any matter pertaining to wages, hours of work and other conditions of employment. Sexual harassment shall be considered discrimination under the provision. The representative of the Union and the Company in all steps of the grievance procedure and in all dealings between the parties shall comply with this provision.

The Company and the Union agree to cooperate in dealing with problems of discrimination where they occur. Neither the Company nor Union shall retaliate against an employee who complains of discrimination, or who is a witness to discrimination. The Company, the Union and the employees recognize their obligations and/or rights under existing federal, state and local laws with respect to Civil Rights discrimination matters:

A joint Committee on Civil Rights shall be established for the plant. The Union representation on the Committee shall be the President, Chairman of the Grievance Committee and the Chairman of the Local Union 9264 Civil Rights Committee. The Civil Rights Committee Chairman has the responsibility for investigating complaints. The Chairman of the Local Union 9264 Civil Rights Committee shall be certified to the Manager-Employee Relations by the Union and the Company member shall be certified to the District Director of the Union.

The Company and Union members of the joint Committee shall meet at mutually agreeable times, but no less than once each month. The joint Committee shall review matters involving Civil Rights and advise with the Company and the Union concerning them, and attempt to resolve same. The joint Committee shall have no jurisdiction over the filing or processing of grievances. This provision shall not affect any existing right to file a grievance nor does it enlarge the time limits for filing and processing grievances.

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

*Section 4 – Responsibilities of the Parties (cont.)*

has the exclusive right to discipline its officers, representatives, and the employees.

The Civil Rights Chairman may be cleared to Labor Relations to discuss pressing legitimate civil rights concerns upon request and by authorization of the Company Civil Rights Labor Relations representative.

**SECTION 5  
UNION MEMBERSHIP AND CHECKOFF**

**A. Union Membership**

1. Each employee who on the effective date of this Agreement is a member of the Union in good standing and each employee who becomes a member after that date shall, as a condition of employment, maintain his membership in the Union.
2. Each employee hired on or after November 1, 1989, shall, as a condition of employment, beginning on the 30th day following the beginning of such employment or the effective date of this Agreement, whichever is the later, acquire and maintain membership in the Union.
3. On or before the last day of each month the Union shall submit to the Company a notarized list showing the name, department symbol, and check or badge number of each employee who shall have become a member of the Union in good standing other than pursuant to Section 5-A-2 above since the last previous list of such members was furnished to the Company.
4. The foregoing provisions shall be effective in accordance and consistent with applicable provisions of federal and state law.

**B. Checkoff**

1. The Company will check off monthly dues, assessments and initiation fees each as designated by the International Treasurer of the Union, as membership dues in the Union, on the basis of individually signed voluntary checkoff authorization cards in forms agreed to by the Company and the Union.
2. At the time of his employment, the Company will suggest that each new employee voluntarily execute an authorization for the check off of union dues in the form agreed upon. A copy of such authorization card for the checkoff of union dues shall be forwarded to the Financial Secretary of the Local Union along with the membership application of such employee.

*Section 5 – Membership and Checkoff (cont.)*

3. New checkoff authorization cards other than those provided for by Section 5-B-2 above will be submitted to the Company through the Financial Secretary of the Local Union at intervals no more frequent than once each month. On or before the last day of each month the Union shall submit to the Company a summary list of cards transmitted in each month.
4. Deductions on the basis of authorization cards submitted to the Company shall commence with respect to dues for the month in which the Company receives such authorization card or in which such card becomes effective, whichever is later. Dues for a given month shall be deducted from the first pay closed and calculated in that month.
5. In cases of earnings insufficient to cover deduction of dues, the dues shall be deducted by a double deduction made from the first pay of the following month. The International Treasurer of the Union shall be provided with a list of those employees for whom double deduction has been made.
6. The Union will be notified of the reason for nontransmission of dues in case of layoff, termination, discharge, resignation, leave of absence, sick leave, retirement, death, or insufficient earnings.
7. Unless the Company is otherwise notified, the only Union membership dues to be deducted for payment to the Union from the pay of the employee who has furnished an authorization shall be the monthly Union dues. The Company will deduct initiation fees when notified by notation on the lists referred to in paragraph 3 of this Subsection, and assessments as designated by the International Treasurer. With respect to checkoff authorization cards submitted directly to the Company, the Company will deduct initiation fees unless specifically requested not to do so by the International Treasurer of the Union after such check off authorization cards have become effective. The International Treasurer of the Union shall be provided with a list of those employees for whom initiation fees have been deducted under this paragraph.
8. The provisions of this Subsection B shall be effective in

*Section 5 – Membership and Checkoff (cont.)*

accordance and consistent with applicable provisions of federal law.

9. The Company agrees to make appropriate deduction of Union dues and/or assessments from retroactive pay awards in suspension and discharge cases.

**C. Union Security**

In states in which the foregoing provisions may not lawfully be enforced, the provisions of this paragraph C, to the extent that they are lawful shall apply: Each employee who would be required to acquire or maintain membership in the Union if the foregoing Union security provisions could lawfully be enforced, and who fails voluntarily to acquire or maintain membership in the Union, shall be required as a condition of employment, beginning on the 30th day following the beginning of such employment or the date of this Agreement, whichever is later, to pay to the Union each month a service charge as a contribution toward the administration of this Agreement and the representation of such employees. The service charge for the first month shall be in an amount equal to the Union's regular and usual initiation fee and monthly dues, and for each month thereafter in an amount equal to the regular and usual monthly dues.

**D. Indemnity Clause**

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

**E. Checkoff Implementation**

1. Subject to future designation, no less than \$5.00 shall be deducted as dues for any month.
2. At those locations where, due to procedures or mechanical accounting equipment, the Company will be unable to comply with the procedures contained herein, the International Treasurer of the International Union, or his designees, and the Company shall promptly arrange for alternative means of complying with the intent of the

*Section 5 – Membership and Checkoff (cont.)*

procedures contained herein.

3. The Company will forward to the International Union, as part of the monthly dues checkoff information, a list of the names, addresses, ages, dates of hire, and Social Security numbers of all employees on checkoff.

**SECTION 6  
ADJUSTMENT OF GRIEVANCES**

**A. Purpose**

The purpose of this section is (1) to provide opportunity for discussion of any request or complaint, and (2) to establish procedures for the processing and settlement of grievances as defined in Subsection 8 of this Section.

**B. Definition of Grievance**

"Grievance" as used in this Agreement is limited to a complaint which involves the interpretation or application of, or compliance with, the provisions of this Agreement.

**C. Grievance Procedure**

**Step 1.**

Any employee who believes that he has a justifiable request or complaint shall discuss the request or complaint with his supervisor, with or without a Divisional Grievanceman being present, as the employee may elect, in an attempt to settle same. However, any such employee may instead, if he so desires, report the matter directly to his Divisional Grievanceman and in such event the Divisional Grievanceman, if he believes the request or complaint merits discussion, shall take it up with the employee's supervisor in a sincere effort to resolve the problem. The employee involved may be present in such discussion, if he so desires. All Union functions in this step shall be handled by the Divisional Grievanceman.

If the supervisor and the Divisional Grievanceman, after full discussion, feel the need for aid in arriving at a solution, they may invite the Manager for the area and by agreement they may invite such other additional Company or Union representatives as may be necessary and available to participate in further discussion, but such additional participants shall not relieve the supervisor and Divisional Grievanceman from responsibility for solving the problem.

The foregoing procedure, if followed in good faith by both parties, should lead to a fair and speedy solution of most of the complaints arising out of the day-to-day operations of the

## *Section 6 – Adjustment of Grievances (cont.)*

plant. However, if a complaint or request has not been satisfactorily resolved in Step 1, it can be presented in writing and processed in Step 2 if after review, the Divisional Grievanceman determines that it constitutes a meritorious grievance.

A grievance, to be considered beyond Step 1, must be filed in writing with the supervisor on forms, furnished by the Company, promptly after the conclusion of the Step 1 discussions. It shall be dated and signed by the Divisional Grievanceman and by the aggrieved employee or employees, wherever possible. When the aggrieved employee (or employees) does not sign, the grievance shall specify by name and badge the aggrieved employee (or employees) involved, unless all employees in a department, subdivision or other identifiable group are involved, in which case the department, subdivision or other identifiable group shall be specified. The grievance form should include such information and facts as may be of aid to the Company and the Union in arriving at a fair, prompt, and informed decision. The supervisor, promptly upon submission to him of the written grievance, shall write on the grievance form: "The Divisional Grievanceman and/or employee and I have fully discussed this grievance and I have determined as follows: (disposition and brief explanation)." indicate the date he received the grievance form, sign it and deliver it to his department Manager.

### **Step 2.**

A grievance in this step shall be discussed at a meeting of the Department Manager or his representative, a Labor Relations Supervisor or Counselor and the authorized Union representatives, which shall be scheduled at a mutually satisfactory time, but not later than 10 days following the date the grievance was signed by the supervisor involved or not later than 10 days following the filing of an appropriate grievance in this Step 2. At such meeting, the International Union, at its option, may have a representative present. The Company shall give its answer not later than 10 days after the date of the meeting. If the decision in Step 2 is not appealed to Step 3, within 10 days of the receipt of the answer in Step 2, the grievance shall be considered settled on the basis of such decision and shall not be eligible for further appeal.

## *Section 6 – Adjustment of Grievances (cont.)*

Grievances which allege violations directly affecting employees working in more than one department in a division shall be filed initially in Step 2 and be answered by such division Director or his representative.

### **Step 3.**

If the grievance is not settled in Step 2, notice of appeal to Step 3 must be given in writing to the Manager-Employee Relations not later than 10 days following disposition of the grievance in Step 2. If the Company's decision in Step 2 is not appealed to Step 3 within the prescribed time limit, the grievance shall be considered settled on the basis of such decision and shall not be eligible for further appeal. In exceptional cases, however, where the Union can satisfactorily demonstrate that the failure of the Union representative charged with the responsibility for such appeal was caused by conditions justifiable under the circumstances and does, in fact, appeal within 10 days from the date of the default, the appeal shall be accepted as though it had been timely. The Company's liability for any retroactive payments resulting from the application of the preceding sentence shall exclude the period of the delay in the appeal.

Such grievance shall then be discussed between the Director of the appropriate division or his designated representative, a Labor Relations Administrator, a representative of the International Union and a Chairman or Vice Chairman of the Grievance Committee in an attempt to reach a mutually satisfactory settlement. Either party may request a further statement of facts to be made available not later than 3 days preceding the date set for the Step 3 meeting. The Company's answer shall be given within 10 days after such meeting. If the final decision in Step 3 is not appealed to arbitration in accordance with Section 7-A within 30 days of the receipt of the Company's answer, the grievance shall be considered settled on the basis of such decision and shall not be eligible for further appeal.

Minutes of all Step 3 meetings shall be prepared by the Manager-Employee Relations or his designated representative, jointly signed by him and the designated representative of the International Union. If the designated representative of the International Union shall disagree with the accuracy of the minutes as prepared by the company, he shall set forth and sign his reasons for such disagreement and the minutes,

## *Section 6 – Adjustment of Grievances (cont.)*

except for such disagreement, shall be regarded as agreed to. Two copies of such minutes shall be handed to the designated representative of the International Union not later than 10 days after the date on which the meeting was held.

The holidays specified in Section 11-C-4 of this Agreement, and Saturdays and Sundays, shall be excluded from the computation of the days of limitation specified above in Step 2 and Step 3 of Subsection C of this Section 6.

Minutes shall conform to the following general outline:

- a. Date and place of meeting.
- b. Names and positions of those present.
- c. Identifying number and description of the grievance discussed.
- d. Brief statement of Union position.
- e. Brief statement of Company position.
- f. Summary of the discussion.
- g. Decision reached.
- h. Statement of concurrence in or exceptions to decision.
- i. Statement as to whether decision was accepted or rejected.

Grievances which allege violations pertaining to contracting out and job classification shall be filed initially in Step 3 and processed in accordance with the foregoing Step 3 procedure.

### **D. General Provisions Applying to Grievances**

1. At all steps in the grievance procedure, the grievant and the Union representatives should disclose to the Company representatives a full and detailed statement of the facts relied upon, the remedy sought, and the provisions of the Agreement relied upon. In the same man-

*Section 6 – Adjustment of Grievances (cont.)*

ner, Company representatives should disclose all the pertinent facts relied upon by the Company.

2. Either party, within the time limits specified in Subsection C may request in writing an extension of not more than 30 days. If such request is refused, such refusal must be in writing and must be delivered to the party requesting such extension, at least one day prior to the expiration of the appropriate time limit, otherwise, the time limit will automatically be extended until one day after the written refusal is received. Failure of the Company to comply with time limits prescribed in this Section 6 or any extension permitted in this paragraph, will permit the Union to appeal to the next step by so notifying the Company.
3. In order to avoid the necessity of filing numerous grievances on the same subject or event, or concerning the same alleged contract violation occurring on different occasions, a single grievance may be processed and the facts of alleged additional violations (including the dates thereof) may be presented in writing in the appropriate Step on a special form supplied by the Company. Such additional claims do not require signature, provided that the grievant has signed the original grievance, or his initial entry onto a supplement, and is identified on all subsequent supplements by name and badge. When the original grievance is resolved in the grievance or arbitration procedure, the parties resolving such grievance (the Third Step representatives if resolved by arbitration) shall review such pending claims in the light of the decision in an effort to dispose of them. If any such claim is not settled, it shall be considered as a grievance and processed in accordance with the applicable procedure and the applicable time limitations.
4. Grievances which are not filed initially in the proper step of the grievance procedure shall be referred to the proper step for discussion and answer by the Company and the Union representatives designated to handle grievances in such step.
5. The Chairman of the Local Union's Grievance Committee may file grievances in writing, if he believes this to be necessary, concerning alleged violations of Subsections 2B, 4-7, or Section 13 in conformity with

## *Section 6 – Adjustment of Grievances (cont.)*

the provisions of Section 6 except that the signatures of affected employees shall not be required.

6. In any grievance settlement involving retroactive payments, the appropriate Union and Company representative shall expeditiously determine the identity of the payees and the specific amount owed each payee. Payment shall be made within 30 days after such determination. In instances where an employee is entitled to be made whole, earnings of the employee from outside the Company during any part of the period in question will not be deducted from the amount owed the employee.
7. Step 3 meetings shall not be postponed except in unusual circumstances. Any party requesting a postponement shall do so in writing, giving the reason therefore and stating that the meeting shall take place at a prompt later date. A copy of the written postponement request shall be included with the quarterly report provided for in Subsection J - Paragraph 1 of this section.

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

### **E. Union Grievances**

The grievance procedure may be utilized by the Union in processing grievances which allege a violation of the obligations of the Company to the Union as such and shall be filed in Step 3. In processing such grievances, the Union shall observe the specified time limits in appealing and the Company shall observe the specified time limits in answering. In the event an employee dies, the Union may process on behalf of his legal heirs any claim he would have had relating to any monies due under any provision of this Agreement.

## Section 6 – Adjustment of Grievances (cont.)

### F. Suspension of Grievance Procedure

If this Agreement is violated by the occurrence of a strike, work stoppage, or interruption or impeding of work at any plant or any subdivision thereof, no grievances shall be discussed or processed in the 2nd Step level or above at such plant while such violation continues, but under no circumstances shall any grievance concerning employees engaged in the violation be discussed or processed while such violation continues.

### G. Waiver of Grievance Procedure

Notwithstanding the procedure herein provided, any grievance may be submitted to arbitration at any time by agreement of the parties to this Agreement.

### H. Access to Plant

The District Director, his designated representatives, and the Local Union Officers shall have access to the plant, subject to established rules and at reasonable times to investigate grievances; provided, however, there shall be no interruptions to operations.

### I. Union Grievance Committee

1. Subject to amendment thereafter by mutual agreement, the number of divisional grievancemen for the plant shall not exceed 5, each of whom shall be assigned to a separate jurisdiction. The jurisdictions shall be (1) Zug Island; (2) North Main Plant and 80" Mill; (3) South Main Plant; (4) Main Office; (5) Michigan Steel, Fire Department, Employment Building, Environmental Control and St. Francis. In addition, one (1) Overall Grievance Chairman shall be recognized. It is understood that increased or additional facilities may warrant an increase in the number of authorized grievancemen. The Company agrees to make every effort to provide steady day work where practical for grievancemen authorized under this section. Grievancemen shall be authorized to represent all employees on any turn in departments under their jurisdiction and shall be afforded such time off, without pay, as may be required to:

- a. Attend regularly scheduled Union Committee meetings.

*Section 6 – Adjustment of Grievances (cont.)*

- b. Attend meetings pertaining to discharges or other matters which cannot reasonably be delayed.
  - c. To visit departments other than their own at all reasonable times only for the purpose of handling grievances, after notice to the head of the department to be visited and permission from their own departmental supervisor.
2. One Assistant Grievanceman may be authorized for each grievanceman referred to in Subsection I.1 above. The Assistant shall perform duties only when the grievanceman is not present.
3. Conference Appearances
- a. Divisional Grievancemen called for conferences at the request of supervision or to attend meetings scheduled at the request of Management shall be permitted time off without loss of pay to attend such conferences or meetings.
  - b. In connection with each of the Steps of Grievance Procedures, either party at its own expense may produce persons who, being familiar with the facts involved, may aid in a solution of the problems.
- J. Review of Grievance Procedure
- 1. On a quarterly basis the company shall transmit to a headquarters representative of the International Union available reports containing the statistics of the grievance procedure at each plant and at each step of the grievance procedure above Step 2 including expedited and permanent arbitration.
  - 2. A copy of the Company's statistical record concerning the experience at each plant which utilizes the Expedited Arbitration Procedure provided in this Agreement, shall also be furnished to the Union on a quarterly basis. The record shall include the plant at which such expedited procedure is being utilized, the names of the arbitrators selected thereunder, the number of cases handled, average number of cases heard per hearing, and average cost per case.

*Section 6 – Adjustment of Grievances (cont.)*

3. The Company and the International Union shall designate a Joint Committee consisting of not more than five members of each party which shall meet periodically for the purpose of reviewing the experience of the Companies and the Union under the Expedited Arbitration Procedure. The Committee shall prepare a report including the results of their review, problems which should be considered, and any recommendations with respect to such problems.
4. Agreement Regarding Special Grievance Review Committee

The Company and the International Union agree to designate a headquarters representative to serve as a Special Grievance Review Committee in relation to the workings of the grievance and arbitration procedure at each of the plants of the Company represented by the Union. Such Committee will have the following duties and powers.

- a. It will conduct a monthly review of cases appealed to the regular arbitration procedure to see whether any such cases shall be referred for handling through Expedited Arbitration.
- b. It will periodically examine the records of performance of the grievance and arbitration procedure for the Company and each of its plants; in no event will such review be held less than quarterly.
- c. It will review the pending grievance load wherever it finds that backlogs or delays have developed or threaten to frustrate prompt settlement of employee complaints and grievances. Such review can include any or all of the following:
  - 1) Examination of the causes for the backlog or delays.
  - 2) Review of specific grievances with the right by agreement of the members of the Committee to refer them to be handled through Expedited Arbitration by the local parties with a timetable the Committee deems to be appropriate.

*Section 6 – Adjustment of Grievances (cont.)*

The parties may designate alternates to serve on the Committee as they see fit.

It is the intention that the provisions herein, when used, should result in increasing the degree to which the local parties at the lowest possible step in the grievance procedure effectively dispose of the problems before them. In order to further such objectives, the members of the Committee shall be empowered to take such measures as they may agree to be necessary to dispose of any backlog of grievances and to increase the effectiveness of the grievance and arbitration procedures.

## **SECTION 7 ARBITRATION**

- A. Procedure for Arbitration
1. If a grievance is not settled in the procedure hereinbefore set forth in Section 6, the matter may, within thirty (30) days of the receipt of the Company's disposition in Step 3, be appealed in writing to arbitration by the designated Staff Representative of the International Union who shall have final authority with respect to further processing thereof, including the right to adjust, modify, or withdraw the same.
  2. The Arbitrator shall be selected by mutual agreement of the parties within 10 days of the appeal to Step 4.
  3. The decision of the Arbitrator shall be final and binding upon the Company and the Union, and all employees concerned.
  4. The expense and salary incident to the services of the impartial Arbitrator shall be shared equally by the Company and the Union.
  5. The Arbitrator shall not have authority to alter in any way the terms and conditions of this Agreement.
  6. Disclosures not made by either party in the various steps of the Grievance Procedure as required by Section 6-D-1 shall be excluded from any arbitration hearing involving such grievance and may not be relied upon by the Arbitrator in reaching his decision.
  7. The Arbitrator shall also have jurisdiction and authority only to interpret, apply or determine compliance with respect to the Insurance Agreement between the parties (including the Program of Insurance Benefits [PIB]) in order to dispose of grievances properly arising under Section 18 of this Agreement. The Arbitrator shall not have jurisdiction or authority to add to, detract from, or alter in any way the provisions of the Insurance Agreement (including PIB).
  8. The Company agrees that it shall not subpoena or call as a witness in arbitration proceedings under this

Agreement any employee from an office and technical bargaining unit in the plant from which the grievance arises. The Union agrees that it shall not subpoena or call as a witness in such proceedings any non-bargaining unit employee.

**B. Retroactivity**

Awards of the Arbitrator may or may not be retroactive as the equities of particular cases may demand, but the following limitations shall be observed in any case where the Arbitrator's award is retroactive:

1. The effective date for adjustment of grievances relating to:
  - a. Suspension and termination cases or cases involving rates of pay for new or changed jobs shall be determined in accordance with the provisions of Section 8 - SUSPENSION, TERMINATION AND CASES and Section 9 - RATES OF PAY, respectively, of this Agreement.
  - b. Seniority cases shall be the date of the occurrence or nonoccurrence of the event upon which the grievance is based, but in no event earlier than 30 days prior to the date on which the grievance was filed.
  - c. Rates of pay (other than new or changed jobs), shift differentials, overtime, holidays, jury pay, Sunday premium, allowed time, vacations and any other matter which is not of a continuing nature shall be the date of the occurrence or nonoccurrence of the event upon which the grievance is based.
2. The effective date for adjustment of grievances involving matters other than those referred to in paragraphs a, b and c above and which are of a continuing nature, shall be no earlier than 30 days prior to the date the grievance was first presented in written form.
3. Awards of the Arbitrator involving the payment of monies for a retroactive period shall be implemented promptly by the parties in accordance with Subsection

6-D-6 of this Agreement. With respect to arbitration awards issued after the effective date of this Agreement, the parties, unless mutually agreed otherwise, agree that in the event arbitration awards requiring monetary payment are not paid within 30 days after the determination of the identity of the payees and the specific amount owed each payee, the affected payees will be paid interest at the prevailing savings account rate of the Credit Union at the Division.

**C. Expedited Arbitration Procedure**

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

- 1 The expedited arbitration procedure shall be implemented in light of the circumstances existing in each plant, with due regard to the following:
  - a. In accordance with the understanding made by the staff representative of the Union designated pursuant to the Basic Labor Agreement and his Company counterpart, the local union and the local management shall appeal the grievance to an arbitrator under this expedited arbitration procedure by mutual agreement of the parties.
  - b. The appeal shall be made within 10 calendar days of receipt of the Step 2 Minutes.
  - c. All grievances appealed to Step 3 of the grievance procedure shall be reviewed by each respective Third Step Representative, and within 10 days after receipt of appeal of such grievance either Third Step Representative may communicate with the other and then jointly determine whether such grievance does not warrant disposition in the Third Step but is rather appropriate for expedited arbitration and therefore agree to refer such grievance back to the Second Step parties for review and disposition. Any grievance so referred back to the Second Step parties and for which no agreement can be reached for disposing of the same, may

then be appealed by the chairman of the grievance committee to the expedited arbitration procedure. Such appeal shall be made within 15 days (excluding Saturdays, Sundays, and Holidays) after the date the grievance is referred to Step 2. If the grievance is not so appealed to the expedited arbitration procedure, it shall be considered withdrawn.

- d. As soon as it is determined that a grievance is to be processed under this procedure, the local parties shall notify the Administrative Secretary of the area panel. The appeal shall include the date, time and place for the hearing. Thereafter the Rules of Procedure for Expedited Arbitration shall apply.
2. The hearings shall be conducted in accordance with the following:
    - a. The hearings shall be informal.
    - b. No briefs shall be filed or transcripts made.
    - c. There shall be no formal evidence rules.
    - d. Each party's case shall be presented by a previously designated local representative.
    - e. The Arbitrator shall have the obligation of assuring that all necessary facts and considerations are brought before him by the representatives of the parties. In all respects, he shall assure that the hearing is a fair one.
    - f. If the Arbitrator or the parties conclude at the hearing that the issues involved are of such complexity or significance as to require further consideration by the parties, the case shall be referred to the Third Step and it shall be processed as though appealed on such date.
  3. The Arbitrator shall issue a decision no later than 48 hours after conclusion of the hearing (excluding Saturdays, Sundays and Holidays). His decision shall be based on the records developed by the parties before and at the hearing and shall include a brief writ-

ten explanation of the basis for his conclusion. These decisions shall not be cited as a precedent in any discussion of grievances at any step of the grievance or regular arbitration procedure. The authority of the Arbitrator shall be the same as that provided in Section 7 A and B above and Section 8 of the Agreement.

4. Any grievance appealed to this expedited arbitration procedure must be confined to issues which do not involve novel problems and which have limited contractual significance or complexity.
5. Cases Subject to Expedited Arbitration

The Local Union shall have the option of expanding the types of cases subject to the Expedited Arbitration Procedure by adopting one or both of the following programs:

- a. grievances involving discharge or discipline, except those involving concerted activity may be processed under the Expedited Arbitration Procedure;
- b. unless otherwise mutually agreed by the parties, grievances may be processed under the Expedited Arbitration Procedure, including those specified in paragraph a. above, and not including cases of a precedent setting nature. In addition, this procedure would specifically exclude wage matters, job eliminations, job combinations, seniority, testing, severance allowance, contracting-out matters, and the Benefit Agreements.

**SECTION 8  
SUSPENSION, TERMINATION  
AND DISCHARGE CASES**

**A. Purpose**

The purpose of this Section is to provide for the disposition of complaints involving suspension, termination or discharge and to establish a special procedure for the prompt review of cases involving discharge, termination or suspension of more than 4 calendar days. Complaints concerning suspension of 4 calendar days or less shall be handled in accordance with Section 6 - ADJUSTMENT OF GRIEVANCES, Section 7 - ARBITRATION, and Subsection J - Grievance and Arbitration. Complaints concerning suspensions of 5 calendar days or more, terminations and discharges shall be handled in accordance with the procedure set forth below, including Section 6 - ADJUSTMENT OF GRIEVANCES, and Section 7 - ARBITRATION.

**B. Procedure**

1. An employee shall not be peremptorily discharged. In all cases in which Management may conclude that an employee's conduct may justify suspension or discharge, he shall be suspended initially for not more than 5 calendar days, and given written notice of such action. A copy of such notice shall be furnished to such employee's grievanceman and a copy mailed to the Local Union as soon as practicable.

If such initial suspension is for not more than 4 calendar days and the employee affected believes that he has been unjustly dealt with, he may file a grievance and have it processed in accordance with Section 6 - ADJUSTMENT OF GRIEVANCES, and Section 7 - ARBITRATION.

If such initial suspension is for 5 calendar days and if the employee affected believes that he has been unjustly dealt with, he may request and shall be granted, during this period, a hearing and a statement of the offense before a representative (status of department head or higher) designated by the Division Director and a representative of the Company's Labor Relations Department with a member or members of the

*Section 8 – Suspension, Termination and Discharge Cases (cont.)*

Grievance Committee present. At such hearing the facts concerning the case shall be made available to both parties. After such hearing or if no such hearing is requested, Management shall conclude whether the suspension shall be affirmed, modified, extended, reduced, revoked or converted into a discharge; and, in the event such hearing is held, Management will notify the employee of its action within 5 calendar days after the end of such hearing, excluding the holidays specified in Section 11-C-4 of this Agreement, and Saturdays and Sundays. In the event the suspension is affirmed, modified, extended, reduced or converted into a discharge, the employee may, within 5 calendar days after notice of such action (excluding the holidays specified in Section 11-C-4 of this Agreement, and Saturdays and Sundays), file a grievance in the Third Step of the grievance procedure. Final decision shall be made by the Company in this Step within 5 calendar days from the date of the filing thereof (excluding the holidays specified in Section 11-C-4 of this Agreement, and Saturdays and Sundays). Such grievance shall thereupon be handled in accordance with the procedures of Section 6 – ADJUSTMENT OF GRIEVANCES, and Section 7 – ARBITRATION. Grievances involving discharge which are appealed to Arbitration shall be heard and decided within 60 days of appeal unless the Arbitrator determines that circumstances require otherwise. Such grievance shall be identified as discharge grievances in the appeal to the Arbitrator. When an employee has completed thirty-six consecutive months of work without discipline involving a penalty of time off for misconduct, prior disciplinary penalties for such offenses not exceeding four days suspension shall not be used for further disciplinary action.

The Company in arbitration proceedings will not make use of any personnel records of previous disciplinary action against the employee involved where the disciplinary action occurred four or more years prior to the date of the event which is the subject of such arbitration. An employee who is summoned to meet in an office with a supervisor other than his own immediate supervisor for the purpose of discussing possible disciplinary action shall be entitled to be accompanied by his grievance committeeman or steward if he requests such representation, provided such representative is then avail-

*Section 8 – Suspension, Termination and Discharge Cases (cont.)*

able, and provided further that, if such representative is not then available, the employee's required attendance at such meeting shall be deferred only for such time during that shift as is necessary to provide opportunity for him to secure the attendance of such representative.

2. An employee shall not be peremptorily terminated. In all cases in which Management may conclude that termination may be warranted, the employee shall be given notice at least ten days in advance of such termination. The Employee may file a grievance in the manner and subject to the requirements of a grievance for suspension converted to a discharge as set forth in Section 8-B-1. Said grievance shall thereupon be handled in accordance with the procedures of Section 8-B-1, Section 6 - ADJUSTMENT OF GRIEVANCES, and Section 7 - ARBITRATION.

C. Revocation of Suspension or Discharges

Should any initial suspension, or affirmation, modification, or extension thereof, or discharge be revoked by the company, the Company shall reinstate and compensate the employee affected on the basis of an equitable lump sum payment mutually agreed to by the parties or, in the absence of agreement, make him whole in the manner set forth in Section 8-D below.

D. Jurisdiction of Arbitrator

Should it be determined by an Arbitrator that an employee has been suspended or discharged without cause, the Company shall reinstate the employee and make him whole for the period of his suspension or discharge, which shall include providing him such earnings and other benefits as he would have received except for such suspension or discharge without offsetting such earnings or other amount as he would not have received except for such suspension or discharge. No deduction from back pay awards or settlements under this section shall be made for governmental assistance (excluding unemployment compensation), welfare, Trade Readjustment Allowance benefits, or private charity received by an affected employee, except that, in calculations made in accordance with Section 13-Q, Trade Readjustment Allowance benefits will be deducted. Should it be determined by the Arbitrator that an employee has been

*Section 8 – Suspension, Termination and Discharge Cases (cont.)*

suspended or discharged for cause, the Arbitrator shall have jurisdiction to modify the degree of discipline imposed by the Company. The provisions of this subsection apply to all suspensions regardless of the number of days involved.

**E. Suspension of Hearing**

When a strike, work stoppage, or interruption or impeding of work is in progress at the plant or any subdivision thereof, Management shall not be required to hold any hearings or notify employees under this Section if the employees are participating in such violation of this Agreement or if it is impracticable for Management to do so because of such violation. In such cases, the time limits for holding hearings or notifying employees shall start to run upon the termination of the strike, work stoppage, or interruption or impeding of work.

**SECTION 9  
RATES OF PAY**

**A. Wage Scale Rates**

The Standard rates for the respective Salary Grades shall be those set forth in Appendix A of this Agreement.

**B. Application of the Wage Scale Rates**

1. For purposes of this Section, there is established for each bi-weekly salary rate a corresponding equivalent hourly salary rate, and the equivalent monthly rate.
2. **All newly hired employees will, for the first sixteen weeks of employment, be paid at a rate of pay one salary grade less than the standard rate of each job worked; and for the second sixteen weeks of employment, at a rate of pay one-half salary grade less than the standard rate of each job worked.**
3.
  - a. An employee promoted permanently one salary grade above his/her present salary grade will be placed in the same relative position within the new salary grade.
  - b. An employee promoted two or more salary grades will be progressed one salary grade every 4 months of actual work on the job, until he/she reaches the appropriate salary grade rate of the job they were promoted to.
  - c. An employee who is promoted subject to the Memorandum of Understanding Regarding Specified Employees Rates of Pay will receive an increase equal to the incremental difference between the salary rate for the job from which the employee is promoted and the salary rate of the job promoted to as defined in the Memorandum.
4. An employee permanently demoted will be placed in the same relative rate position within the progressional sequence of the new salary grade except as provided for in B-10 of this Section 9.
5. An employee temporarily promoted will be paid according

*Section 9 – Rates of Pay (cont.)*

to the "Salaried Non-Exempt Move-Up Procedure" effective 4-1-89, and will be paid on a daily basis (8 hours).

6. If an employee is scheduled for less than forty (40) hours of work in a week, the applicable salary equivalent hourly rate shall be the established base from which to calculate the proportional salary.
  7. The Company may authorize absence from work within a pay period without reduction of the salary rate.
  8. Nothing in this Agreement shall require a payment for time not worked during a normal work week due to causes such as:
    - a. Strikes or work stoppages in connection with labor disputes in or about the plants and/or offices.
    - b. Refusal of the employee to perform the work to which assigned.
    - c. Absence from work without just cause or excessive absence.
    - d. Voluntary absence from work.
    - e. Justifiable suspension from work.
  9. Each hourly equivalent salary rate established under the foregoing Paragraph A is recognized as the straight time regular rate from which to calculate overtime.
  10. An employee performing work on a job of a lower job grade on a temporary basis at the request or direction of Management shall receive the applicable rate he otherwise would have received if he had not been temporarily assigned or reassigned. This provision shall not affect the rights of the employee or the Company under any other provision of this Agreement.
- C. Description and Classification of New or Changed Jobs
1. Description and Classification of Jobs

In the interest of the effective administration of the Job Description and Classification procedures as set forth in

*Section 9 – Rates of Pay (cont.)*

the Manual for Job Classification of Clerical and Technical Jobs (CWS 7 factor system), a Plant Union Committee on Job Classification (hereinafter called the Plant Union Committee) consisting of one employee designated by the Union shall be established in each plant.

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

When and if from time to time the Company, at its description, establishes a new job or changes the job content (requirements of the job as to training, skill, responsibility, and working conditions) of an existing job to the extent of two full **Job Classes** or more, a new job description and classification for the new or changed job shall be established in accordance with the following procedure:

- a. Management will develop a description and classification of the job in accordance with the Agreement between the parties hereto.
- b. The proposed description and classification will be submitted to the Plant Union Committee for approval, and the Wage Scale Rate for the Salary Grade to which the job is thus assigned shall apply in accordance with the provisions of this Section. At the same time copies of the proposed description and classification shall be sent to a designated representative of the International Union. If the job involves new-type facilities or a new-type job, special designation of this fact shall be made.
- c. The Plant Union Committee and Management shall discuss and determine the accuracy of the job description.

*Section 9 – Rates of Pay (cont.)*

- d. If Management and the Plant Union Committee are unable to agree upon the description and classification, Management shall install the proposed classification, and the Wage Scale Rate for the Salary Grade to which the job is thus assigned shall apply in accordance with provisions of this Section. The Plant Union Committee shall be exclusively responsible for the filing of grievances and may at any time within 30 days from the date of installation file a grievance with the plant management representative designated by the Company alleging that the job is improperly described and/or classified under the provisions of the Agreement. Thereupon the Plant Union Committee and Management shall prepare and mutually sign a stipulation setting forth the factors and factor codings which are in dispute. Thereafter such grievances shall be referred by the respective parties to their Third Step Representative for further consideration. In the event the Third Step Representatives are unable to agree on the description and classification within 30 days, they shall prepare and mutually sign a stipulation (which may amend the stipulation set forth by the Plant Union Committee and Management) setting forth the factors and factor codings which are in dispute and a summary stating reasons for the respective positions of the parties at both the plant committee and the Third Step levels, copy of which shall be sent to a designated representative of Management and the aforementioned representative of the International Union. The receipt by the Union's Third Step representative of such stipulation and summary shall be deemed to be receipt of the minutes for the purposes of time limit requirements in making an appeal to arbitration.
- e. In the event the parties fail to agree as provided, and no request for review or arbitration is made within the time provided, the classification as prepared by the Company shall be deemed to be approved.
- f. In the event Management does not develop a new job description and classification, the Plant Union Committee may, if initiated promptly, process a

Section 9 – Rates of Pay (cont.)

complaint under the complaint and grievance procedure of this Agreement requesting that a job description and classification be developed and installed in accordance with the provisions of the Agreement. The resulting classification shall be effective as of the date when the new job was established or the change or changes installed.

- g. The chart set forth below states the correlation of numeric job classifications to the corresponding Salary Grade.

<u>SALARY GRADE</u>	<u>JOB EVALUATION POINT SPREAD</u>
A	0 – 1.4
B	1.5 – 3.4
C	3.5 – 5.4
D	5.5 – 7.4
E	7.5 – 9.4
F	9.5 – 11.4
G	11.5 – 13.4
H	13.5 – Up

2. Form G Procedure

It is equally as important to maintain the job descriptions and classifications in constant adjustment to fit new or changed conditions as it is to make accurate determination in the first instance and to make proper application of the resulting rates of pay from day to day. Failure to so maintain the job descriptions and classifications will cause injustice to the employees, or to the Company, or to both. Accordingly, in addition to the provisions of paragraph 1 of this Subsection, but without prejudice to the rights of the employees involved or the Company with respect to the description and classification of jobs under paragraph 1 of this Subsection, the following procedures are set forth to aid the Company and the Union to keep accurate records regarding the jobs which have been described and classified.

- a. When Management changes a job, but the job content change is less than two full **Job Classes**, a supplementary record shall be established to maintain the job description and classification on a current basis and to enable subsequent adjust-

*Section 9 – Rates of Pay (cont.)*

ment of the job description and classification for an accumulation of small job content changes as follows:

- 1) Management shall prepare, on the Industry Form G, a record of the change involved and such record shall become a supplement to the job description and classification and be transmitted to the appropriate Union representative. This record shall contain a statement of the additions to or deletions from the job description, the factor classifications in effect before the job was changed, the proposed new factor classifications, and the net total change.
  - 2) When and if an accumulation of such fractional job content changes equal two full **Job Classes** or more, a new job description and classification for the job shall be established in accordance with the provisions of Subsection C of this Section.
- b. When Management terminates a job, or a job is not occupied during a period of one year, a record as to cancellation of the applicable job description and classification shall be established as follows:
- 1) Management shall prepare, on the Industry Form G, a record of the cancelled job description and classification. This record shall contain identification of the job, and statement of causes for cancellation of the job description and classification, such as: job terminated; job not occupied during period of one year, etc.
  - 2) Such record shall be transmitted to the appropriate Union representative.
- c. When Management changes the identification details relative to a given job, such as name of the department or subdivision, or title or code of the job, a record as to such change shall be established as follows:

*Section 9 - Rates of Pay (cont.)*

- 1) Management shall prepare, on the Industry Form G, a record of the identification change. The heading of the record shall show the identification details of the job prior to change, and the changes to be made shall be enumerated under the caption of "Description Changes."
- 2) Such record shall be transmitted to the appropriate Union representative.
3. No provision of this subsection (C) or any other provision of the Basic Labor Agreement shall be interpreted to create a work assignment jurisdiction on the basis of inclusion or exclusion of duties in a job description.

In addition, duties performed by employees whether or not specifically enumerated in their job description shall not establish a work assignment jurisdiction.

- D. Adjustment of Personal Out-of-Line Differentials or "Red Circle" Rates.
1. Any "red circle" rate above the standard rate of pay in place as of the date of this Agreement shall be identified with the given employee and the given job and apply only to such employee while on the job in the given rate grades.
  2. If an employee with a "red circle" rate is promoted for regular assignment to a job in a higher job grade, he shall be paid either his "red circle" rate or the standard rate of the job to which promoted, whichever is higher, pursuant to the provisions of B-3 above. If in such case the "red circle" rate applies, that "red circle" rate shall be identified with the given employee and that given job.
  3. Such "red circle" rate will be reduced by any future general pay cuts negotiated by the parties. Employees with "red circle" rates will not receive any future general increase until the employee's standard rate exceeds his or her "red circle" rate. However, in no case will any increase exceed the standard rates.

E. Salary Rate Inequity Complaints or Grievances

No basis shall exist for an employee to allege that a salary rate inequity exists and no grievance on behalf of an employee alleging a salary rate inequity shall be initiated or processed during the term of the Agreement.

F. Correction of Errors

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

G. Miscellaneous

Rates of pay practices which are inconsistent with the provisions of this Section shall be terminated.

H. Shift Differentials

1. For hours worked on the afternoon shift there shall be paid a premium rate of 30 cents per hour; for hours worked on the night shift there shall be paid a premium rate of 45 cents per hour.
2. For purposes of applying the shift differentials above, all hours worked by an employee during the workday shall be considered as worked on the shift on which the employee is regularly scheduled to start work, except:
  - a. An employee reporting for work on the day shift receives no shift differential except when he/she completes the regular day turn and continues to work thereafter for a full 8 hour turn or more, or the complete schedule of the afternoon turn, in which event he/she will be paid the shift differential of 30 cents per hour for all hours worked beyond the regular day turn.
  - b. An employee regularly scheduled for the day shift who completed the regular turn and after leaving the Company premises is called out for the afternoon or night shift within the same workday shall be paid the applicable shift differential for the hours worked on the afternoon or night shift.
3. Shift shall be identified in accordance with the following,

*Section 9 – Rates of Pay (cont.)*

unless mutually agreed to otherwise.

- a. DAY SHIFT includes all turns regularly scheduled to commence between 6:00 a.m. and 9:00 a.m., inclusive.
  - b. AFTERNOON SHIFT includes all turns regularly scheduled to commence between 2:00 p.m. and 5:00 p.m., inclusive.
  - c. NIGHT SHIFT includes all turns regularly scheduled to commence between 10:00 p.m. and 1:00 a.m., inclusive.
4. Shift differential shall be included in the calculation of applicable overtime pay.
  5. Any hours worked by an employee on a regularly scheduled shift which commences at a time not specified above shall be paid as follows:
    - a. For hours worked which would fall in the prevailing day turn of the department, no shift differential shall be paid.
    - b. For hours worked which would fall in the prevailing afternoon turn of the department, the afternoon shift differential shall be paid.
    - c. For hours worked which would fall in the prevailing night turn of the department, the night shift differential shall be paid.
- I. Sunday Premium
    1. All hours worked by an employee on Sunday, which are not compensated for at overtime rates, shall be paid at the rate of one and one-half (1 1/2) times the employee's hourly equivalent rate.
    2. For the purpose of this provision, Sunday shall be deemed to be the 24 hours beginning with the turn changing hour nearest 12:01 a.m. Sunday.
    3. Sunday premium based on the hourly equivalent salary rate shall be paid for reporting allowance hours.

- J. Inflation Recognition Payment
1. For purposes of this Section J:
    - a. "Consumer Price Index" refers to the "Consumer Price Index" for Urban Wage Earners and Clerical Workers - United States - All items (C.P.I. - W) (1982-84 equals 100) published by the Bureau of Labor Statistics, United States Department of Labor.
    - b. The "Consumer Price Index Base" shall be determined as follows:
      - 1) For the August 1, **1998**; November 1, **1999**; February 1, **2000**, and May 1, **2000** adjustment dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of March, **1999**, published by the Bureau of Labor Statistics, multiplied by 103%.
      - 2) For the August 1, **2000**; November 1, **2000**; February 1, **2000**, and May 1, **2000** adjustment dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of March, **2000**, published by the Bureau of Labor Statistics, multiplied by 103%.
      - 3) For the August 1, **2001**; November 1, **2001**; February 1, **2002**, and May 1, **2002** adjustment dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of March, **2001**, published by the Bureau of Labor Statistics, multiplied by 103%.
      - 4) For the August 1, **2002**; November 1, **2002**; February 1, **2003**, and May 1, **2003** adjustment dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of March, **2002**, published by the Bureau of Labor Statistics,

multiplied by 103%.

- 5) For the August 1, 2003; November 1, 2003; February 1, 2004, and May 1, 2004 adjustment dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of March, 2003, published by the Bureau of Labor Statistics, multiplied by 103%.
  - c. "Adjustment Dates" are August 1, 1999; November 1, 1999; February 1, 2000; May 1, 2000; August 1, 2000; November 1, 2000; February 1, 2001, and May 1, 2001; August 1, 2001; November 1, 2001; February 1, 2002; May 1, 2002; August 1, 2002; November 1, 2002; February 1, 2003; May 1, 2003; August 1, 2003; November 1, 2003; February 1, 2004; May 1, 2004; August 1, 2004.
  - d. "Inflation Recognition Payment" is calculated as below and will be payable for the three month period commencing with the Adjustment Date.
2. Effective on each Adjustment Date a payment shall be earned equal to one percent (1.0%) of the Standard Hourly Wage Rates (SHWR) or hourly equivalent salary rate for represented salaried positions for each full one percent (1.0%) increase in the C.P.I. over the base. The adjustment will be based on the Consumer Price Index for the second calendar month next preceding the month in which the applicable adjustment date occurs.
    - a. The earned payment shall be determined by multiplying the percent determined in (2) above by the Standard Hourly Wage Rate or hourly equivalent salary rate for represented - salaried positions for each position worked by an employee for all hours actually worked, overtime allowance hours, and for any reporting allowance hours credited before the next Adjustment Date. The Inflation Recognition Payment earned, if any, between Adjustment Dates will be paid promptly in a separate check. If the Company reports a net loss for the calendar quarter ending immediately prior to the date of payment, the company shall have the option of crediting the Inflation Recognition Payment earned

*Section 9 – Rates of Pay (cont.)*

to each Eligible Employee's Inflation Recognition Payment Credit Account in accordance with the guidelines established for this account.

- b. In calculating the payment for any August 1, November 1, February 1, and May 1 adjustment dates, there shall be added to the percent calculated in (2) above, the percent used to calculate the Inflation Recognition Payment, if any, which was payable on the May 1 adjustment date of the prior year.
3. The Inflation Recognition Payment shall be an "Add-on" and shall not be part of the employee's Standard Hourly Wage Rate or hourly equivalent salary rate for represented – salaried positions. Such adjustment shall be payable only for hours actually worked, overtime allowance hours, and for reporting allowance hours but shall not be part of the employee's pay for any other purpose and shall not be used in the calculation of any other pay allowance or benefit.
4. Should the Consumer Price Index in its present form and on the same basis (including composition of the "Market Basket" and "Consumer Sample") as the last Index published prior to June 1, 1993, become unavailable, the parties shall attempt to adjust this Section J or, if agreement is not reached, request the Bureau of Labor Statistics to provide the appropriate conversion or adjustment which shall be applicable as of the appropriate Adjustment Date and thereafter. The purpose of such conversion shall be to produce as nearly as possible the same result as would have been achieved using the Index in its present form.
5. Credit Account

In accordance with the following, the Company agrees to establish during the term of the 1999 Labor Agreement an Inflation Recognition Payment Credit Account (hereinafter "Credit Account") for each eligible employee. "Eligible Employee" shall mean an employee of the Company entitled to an Inflation Recognition Payment under the Basic Labor Agreement (hereinafter "Inflation Payment"). The Company shall provide a statement to each such employee one each quarter

showing the amount in his Credit Account.

With respect to each calendar quarter for which the Company publicly reports a net loss (loss quarter) and for which an Inflation Recognition Payment is due, the Company shall, at its option, either (i) make such Inflation Payment to each Eligible Employee or (ii) promptly credit each Eligible Employee's Credit Account in an amount equal to the Inflation Payment (hereinafter "Credit Payment"). In the event that an Inflation Recognition Payment is deferred as set forth above, interest at the rate of 1.25% per quarter shall be added to the payment when it is made. The principle and interest credited to the account will collectively be called the "Credit Amount."

The Company will give the Union written notice within 30 days after the end of the quarter but not prior to the public release of the Company's earnings of its decision to either make the Inflation Payment or credit each Eligible Employee's Credit Account with the Credit Payment. If the Company reports a pre-tax loss for a calendar quarter and the Company elects to defer an Inflation Recognition Payment, such payment will subsequently be made either:

- i. following the first calendar quarter in which the succession of calendar quarters of reported pre-tax income and loss generates net pre-tax income greater than the accumulated pre-tax loss reported in those calendar quarters; or
- ii. when an employee entitled to a deferred Inflation Recognition Payment retires or dies. An employee who terminates from employment, for reasons other than retirement or death, shall be paid any Inflation Recognition Payment to which he is entitled in accordance with the provisions of subsection (i) above.

In each instance, the Inflation Recognition Payment or Credit Payment shall be paid in accordance with the standard payroll practice existing at the particular

employment location.

In the event of the death of an Eligible Employee, payments from the Credit Account will also be made consistent with all the foregoing provisions in accordance with the following:

- (a) to the beneficiary of such employee's group life insurance policy, and if no beneficiary has been designated, then
- (b) in accordance with the provisions of the employee's Will disposing of his residuary estate, and if the employee has died intestate, then
- (c) in accordance with the applicable intestacy laws.

This Credit Account will be administered by the Company at its sole cost and expense.

The Company agrees to provide the USWA with an annual report on the status of the Credit Account. The Company agrees that the USWA has the right to, at its sole cost and expense and during normal business hours upon prior written notice, audit the Company's payroll records to the extent necessary to verify the accuracy of the amounts posted to the Credit Accounts.

#### K. Assured Rates of Pay

The parties recognize that the changing conditions, new technologies, and new facilities occurring in the industry require innovative compensation approaches, which account for added job responsibilities, encourage teamwork, enhance assignment flexibility, and improve productivity. Where these needs will be served, the parties, by mutual agreement at the local level, may implement experimental programs which include the following concepts:

1. An "assured" rate of pay which provides:
  - a. A guaranteed minimum rate of pay equivalent to the Hourly Equivalent Salary Rate of an employee's incumbent bid job applicable to any job to which the employee is assigned.
  - b. Is paid to each employee for at least forty hours

*Section 9 – Rates of Pay (cont.)*

per week, whether worked or not, subject to safeguards against abuses.

2. In the case of any temporary assignment from his incumbent bid job to another job, the employee will receive the appropriate rate of pay for the job performed, but not less than the established "assured" rate of pay.
3. Either party may cancel any program entered into under this agreement by providing 30 days written notice to the other party.

**L. Skill Based Pay**

The parties, recognizing the need to improve productivity, assignment flexibility, and the desirability of encouraging employees to attain their optimal skill levels, hereby authorize the study and development of programs to provide compensation proportional to the acquisition of knowledge, skills, and/or expertise beneficial to the operations of the plants. Such programs shall conform to the following guidelines.

1. Identifiable improvements in productivity must result from implementation of the program, through accommodation of reductions in the number of employees necessary to perform the work, and enhancement of assignment flexibility. The programs must be mutually agreed to by the parties at the local level.
2. The knowledge, skills, and/or expertise contemplated by the programs must be over and above the levels of ability required for qualification on the employees' incumbent occupations.
3. Such knowledge, skills, and/or expertise for which compensation opportunity may be offered shall relate to the employees' incumbent occupations or the specifically identified interrelated jobs in the program and said criteria shall be consistent with principles set forth in the CWS manual.
4. Periodic joint review of programs implemented by the parties shall occur to monitor compliance with the intent of these guidelines according to mutually accepted criteria established with each program. Appropriate adjust-

*Section 9 – Rates of Pay (cont.)*

ment of programs will be made as necessary to ensure compliance with these guidelines and to balance equities among the employees, the Union, and the Company.

5. Either party may cancel any program entered into under this agreement by providing 30 days written notice to the other party.

**SECTION 10  
HOURS OF WORK**

**A. Normal Hours of Work**

1. **Scheduling the Norm:** The normal daily hours of work shall be eight (8) consecutive hours, excluding luncheon periods where such periods are provided. The normal work week will consist of forty (40) hours, and the usual weekly schedule will be five (5) consecutive days at work followed by two (2) consecutive days off whenever practicable. The final decision as to whether or not such schedules are practicable shall rest exclusively with the Company.

Management will make a diligent effort to schedule employees to work in accordance with the normal work day and normal work week; however, where the efficiency of the operations or the practicability of the schedule dictates that a schedule other than that is to be worked, Management will endeavor to provide employees with ample notice of changes in their schedule to allow them sufficient time to change their plans in order to meet such schedule.

2. **Posting of Schedules:** Schedules of the employees' regular work days shall be posted or otherwise made known to employees in accordance with prevailing practices at the respective Departments, when practicable on Thursday but not later than Friday of the week preceding the calendar week in which they shall be effective; provided, however, that in the case of breakdowns or other conditions beyond the control of Management or because of the requirements of the business Management may change such schedules after Friday of the week preceding the calendar week in which they shall be effective.
3. The starting times of regular turns in the respective Departments shall be determined from time to time by Management, and, insofar as practicable, notice of any changes in any such starting time shall be posted on the bulletin boards in the Department affected thereby at least forty-eight (48) hours before such change shall become effective.

**B. Reporting Allowances**

1. An employee who is scheduled or called to report for work and who does report for work shall, in the event no work for which he is scheduled is available, be paid a reporting allowance of 4 hours at the hourly equivalent salary rate for the preceding pay period, whichever is higher, of the occupation to which he was scheduled or for which he was called to report provided that this payment does not duplicate pay for the same hours paid. At Management's discretion, any such employee may be assigned to any work in his department or in comparable departments, in lieu of his being released and shall be paid for all hours worked at the respective rates applicable to the jobs on which he works, but shall not be paid less for the first 4 hours than the hourly equivalent salary rate of the preceding pay period, whichever is higher, of the occupation to which he was scheduled or for which he was called to report. If any employee refuses such assignment, he shall not receive the 4 hours reporting pay.
2. An employee who is scheduled or called to work and actually begins work, who for lack of work is required to work 4 hours or less shall be paid for a minimum of 4 hours at a rate not less than the hourly equivalent salary rate for the preceding pay period of the job on which he first works. Any unworked portion of the 4 hours is considered as a reporting allowance. If before such employee is released, the Company offers such employee other work for the balance of the scheduled turn, he shall either accept such other work or waive his right to such reporting allowance.
3. An employee who accepts assignment to other work for the balance of the turn pursuant to paragraph 2 of this Subsection, shall be paid for all hours worked at the respective rates applicable to the jobs on which he worked but shall not be paid less for the first 4 hours than the hourly equivalent salary rate for the preceding pay period, whichever is higher, applicable to the job on which he first worked.
4. Allowed reporting time shall not be considered as time worked for any purpose, however, reporting allowance shall be paid at either regular or overtime rates

## Section 10 – Hours of Work (cont.)

whichever would apply under the provisions of Section 11 at the time the employee reports for work.

5. In the event strikes, stoppages in connection with labor disputes or breakdowns of equipment, within the plant, shall interfere with work being provided, the provisions of this Subsection B do not apply.

### C. Absenteeism

Whenever an employee has just cause for reporting late or absenting himself from work, he shall, whenever practicable, give notice as far in advance as possible to the supervisor or such other person as may be substituted therefor.

Should an employee not have just cause for failing to give notice, he shall be subject to discipline regardless of whether or not the employee is otherwise subject to discipline for reporting late for or absenting himself from work without just cause.

### D. Jury or Witness Duty

An employee who is called for jury service or subpoenaed as a witness shall be excused from work for the days on which he serves. (Service, as used herein, includes required reporting for jury or witness duty when summoned, whether or not he is used.) Such employee shall receive, for each day of service on which he otherwise would have worked, the difference between the payment he receives for such service in excess of \$5.00 and the amount calculated by the Company in accordance with the following formula. Such pay shall be based on the number of days the employee would have worked had he not been performing such service (plus any Holiday in such period which he would not have worked) and the pay for each day of service shall be eight (8) times his hourly equivalent salary rate of earnings (excluding shift differentials and Sunday and overtime premiums) during the last payroll period worked prior to such service. The employee will present proof that he did serve or report as a juror or was subpoenaed and reported as a witness, and the amount of pay, if any, received therefor.

### E. Funeral Leave

When death occurs to an employee's legal spouse, mother,

father, mother-in-law, father-in-law, son, daughter, brother, sister, grandparents or grandchildren (including stepfather, stepmother, stepchildren, stepbrother or stepsister when they have lived with the employee in an immediate family relationship), an employee, upon immediate request, will be excused and paid for up to a maximum of three (3) scheduled shifts (5 scheduled shifts in the case of the death of an employee's legal spouse, son, or daughter including stepchildren when they have lived with the employee in an immediate family relationship), (or for such fewer shifts as the employee may be absent) which fall within a three (3) consecutive calendar day period (or 5 consecutive calendar day period in the case of the death of an employee's legal spouse, son, or daughter including stepchildren when they have lived with the employee in an immediate family relationship); provided, however, that **if a formal funeral or memorial service is conducted for the deceased one** such calendar day shall be the day of the funeral or memorial service and it is established that the employee attended the funeral or service. Payment shall be eight times his hourly equivalent salary rate (as computed for jury pay). An employee will not receive funeral pay when it duplicates pay received for time not worked for any other reason. Time thus paid will not be counted as hours worked for the purposes of determining overtime or premium pay liability.

#### F. Overtime Work

When employees qualified to perform the work could be recalled from layoff because it is reasonably foreseeable that there will be work for such employees for a period of two or more weeks, then Management will notify the Union if it decides to have such work performed on an overtime basis instead of recalling employees. Upon the request of the appropriate Divisional Grievanceman, Management will discuss with him the reason for its decision and any suggested alternative. Such discussion will constitute full compliance with the requirements of this provision, without prejudice to any other rights which may exist under any other provision of the Agreement.

**SECTION 11  
OVERTIME - HOLIDAYS**

**A. Purpose**

This Section is intended only to provide a basis for calculating overtime and shall not be construed as a guarantee of hours of work per day or per week.

**B. Definition of Terms**

1. The payroll week shall consist of 7 consecutive days beginning at 12:01 a.m. on Sunday or at the turn-changing time nearest to that time.
2. The workday for the purpose of this Section is the 24-hour period beginning with the time the employee begins work, except that a tardy employee's workday shall begin at the time it would have begun had he not been tardy.
3. The regular rate of pay, as the term is used in Subsection C below, shall mean the hourly equivalent salary rate which the employee would have received for the work had it been performed during non-overtime hours.

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

1. Overtime at the rate of one and one-half times the regular rate of pay will be paid for:
  - a. Hours worked in excess of 8 hours in any day, unless otherwise mutually agreed to by the parties.
  - b. Hours worked in excess of 40 hours in any week.
  - c. Hours worked on the sixth or seventh day in a payroll week if the employee has worked 5 previous days in the payroll week (any day of the first 5 days shall be considered a day worked where the employee begins work and fulfills his daily schedule even though such schedule might be for less than 8 hours).
  - d. Hours worked on the sixth or seventh workday of a

*Section 11 – Overtime - Holidays (cont.)*

seven consecutive-day period during which the first five days were worked, whether or not all of such days fall within the same payroll week, except when worked pursuant to schedules to which the Company and the Union have mutually agreed; provided, however, that no overtime will be due under such circumstances unless the employee shall notify his supervisor of a claim for overtime within a period of one week after such sixth or seventh day is worked, or, if he fails to do so, files a grievance claiming such overtime within 30 days after such day is worked; and provided further that on shift changes the 7-consecutive-day period of 168 consecutive hours may become 152 consecutive hours depending upon the change in the shift. For the purposes of this paragraph (d) all working schedules providing for 7-consecutive-days or more which are now in effect shall be deemed to have been agreed to by the Union. Such agreement may be withdrawn by the Union by giving 60 days' prior written notice thereof to the Company.

- e. Hours worked on a second reporting in the same workday where the employee has been recalled or required to report to the plant after working less than eight hours on his first shift, provided that his failure to work eight hours on his first reporting was not caused by any of the factors mentioned in Section 10-B-5 for purposes of disqualifying an employee for reporting allowance.
2. Where local practices or agreements with respect to the distribution of overtime currently allow overtime work opportunities to be distributed unequally, the Management and the Local Union shall conclude by July 1, 1990, an agreement providing for equitable overtime distribution consistent with the efficiency of the operation. If agreement is not reached by July 1, 1990, the Management may implement necessary equitable overtime distribution procedures, changed to the extent necessary to provide equitable distribution of overtime work opportunities.
3. For all hours worked by an employee on any of the holidays specified below overtime shall be paid at the over-

*Section 11 – Overtime - Holidays (cont.)*

time rate of two and one-half times the employee's regular rate of pay.

The holidays specified are January 1, Martin Luther King Jr.'s Birthday, which shall be the third Monday of January, Washington's Birthday which shall be the third Monday in February, Good Friday, Memorial Day, which shall be the last Monday in May, July 4, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, the day before Christmas Day and Christmas Day. The holiday shall be the 24-hour period beginning at 12:01 a.m. on the holiday or at the turn-changing time nearest to that time. If the calendar holiday is on Sunday, for the purposes of this Agreement, the holiday shall be the following Monday. If the calendar holiday is on Saturday, for the purposes of this Agreement, the holiday shall be the preceding Friday.

**D. Pay For Holidays Not Worked**

1. An employee, except a probationary employee or an employee ineligible under the provisions of paragraph 2 below, who does not work on a holiday as listed in Subsection C above, shall be paid an allowance equal to 8 times his hourly equivalent salary rate (excluding any shift differential) as determined by the rate earned by him on his last regularly scheduled turn prior to the holiday. Holiday allowance shall be adjusted by an amount per hour to reflect any general increase in effect at the time of such holiday, but not in effect in the period used for calculating holiday allowance.
2. An employee shall be ineligible to receive a holiday allowance under any of the following conditions:
  - a. If he is scheduled to work on the holiday and then fails, without acceptable reason, to work the full shift on such holiday. An employee shall be considered scheduled to work on the holiday for the purposes of this Subsection D, if:
    - 1) he is regularly scheduled, or
    - 2) he has accepted an overtime turn, or
    - 3) he has accepted an extra turn.

*Section 11 - Overtime - Holidays (cont.)*

- b. If he fails, without acceptable reason, to work the full shift on his last regularly scheduled turn, overtime turn, or extra turn immediately prior to the holiday or his first regularly scheduled turn, overtime turn or extra turn immediately following the holiday.
3. Acceptable reasons for the failure of an employee to meet the eligibility requirements of paragraph 2 above are:
  - a. Scheduled vacation. (This means that an eligible employee will be paid his holiday allowance in addition to his vacation pay.)
  - b. Required appearance before a court, draft board, or other legal or administrative body.
  - c. Death of a member of the employee's family; i.e., parent, parent-in-law, spouse, child, brother, sister, or any relative residing with the employee.
  - d. Substantiated illness of the employee, provided such employee works at least one turn in the 144 hours preceding the beginning or following the end of the holiday.
  - e. Other personal emergency as may be mutually approved by the Company and the Union.
4. Employees, otherwise eligible, who have been laid off or recalled from layoff during the payroll period in which the holiday occurs or who have left for military service in accordance with Section 15 - MILITARY SERVICE of this Agreement, during the payroll period in which the holiday occurs, or who, if laid off for such payroll period, performed work or were on vacation in both the payroll period preceding and the payroll period following the holiday shall receive holiday allowance for such holiday.
5. If an eligible employee performs work amounting to less than 8 hours on a holiday, he shall be entitled to the benefit of paragraph 1 above for the difference in hours between the hours actually worked and 8 hours.
6. In the event that strikes or stoppages in connection with

*Section 11 – Overtime - Holidays (cont.)*

labor disputes shall interfere with work being provided on a holiday, the provisions of this Subsection D shall not apply.

**E. Non-Duplication Provisions**

1. Overtime payments shall not be duplicated for the same hours worked under any of the terms of this Agreement, and to the extent that the hours are compensated for at overtime rates under any provision of Section C of this Section, they shall not be counted as hours worked in determining overtime under the same or any other provision of said section except that:
  - a. Hours worked on any holiday specified in this Section shall be counted in determining overtime compensation following such holiday as provided in Subsection C-1 of this Section.
  - b. Hours worked on the last day of the calendar week on overtime rates shall be counted as hours worked in determining compensation under Subsection C-1-a of this Section.
  - c. Hours worked on the first day of the calendar week and compensated for at overtime rates as a result of item b of this paragraph 1 shall be counted in determining overtime compensation under Subsection C-1-b and c of this Section.
2. A holiday, whether worked or not, and whether scheduled as a day of work or not, shall be counted for purposes of computing overtime liability under the provisions of Subsection C-1-c and C-1-d of this Section 11.
3. No employee shall receive more than the overtime rate provided in Subsection C-2 of this Section for work performed on any holiday.

## SECTION 12 VACATIONS

### A. Eligibility

Each employee covered by this Agreement who has been continuously in the active employ of National Steel Corporation and has attained the years of National Steel continuous service indicated in the following table shall, in any calendar year, receive a vacation corresponding to such years of continuous service as follows:

<u>Years of Service</u>	<u>Vacation</u>
Less than 6 months	None
6 months but less than 1	1 week
1 but less than 6	2 weeks
6 but less than 15	3 weeks
15 but less than 23	4 weeks
23 or more	5 weeks

1. An employee who completed six (6) months service and one (1) years service in the same calendar year shall be entitled to receive only a total of two (2) weeks of vacation during such calendar year.
2. An employee who shall have been continuously absent from work for six (6) consecutive months or more in the preceding calendar year shall not be entitled to a vacation until six (6) months after his return to work. In calculating the period of absence, periods of leaves of absence for fulfilling military obligations, and vacation time, shall be deducted.
3. Vacations are not to be accumulated and must be completed within the year in which the employee becomes eligible.
4. Office Clerical and Technical unit employees may take one (1) week of vacation split into periods of one-half (1/2) day or more. An employee and his or her supervisor may mutually agree to allow second or subsequent weeks of vacation to be split into periods of less than a full week.
5. An otherwise eligible employee forfeits the right to

## *Section 12 – Vacations (cont.)*

receive vacation benefits under this Section if he or she quits, dies, retires, or is terminated for any reason prior to January 1 of the vacation year.

### **B. Scheduling**

On or promptly after October 1 of each year, each eligible employee shall be requested to specify the vacation period or periods he desires. Vacations will, when practicable, be scheduled at times most desired by employees (longer bargaining unit service employees being given preference as to choice) but the final right to allot vacation periods, and the right to change such allotments, are exclusively reserved to the Company in order to ensure the orderly and efficient operation of the plant. The number of employees who are allowed to be on vacation at the same time may be limited as exclusively determined by management. Vacation weeks shall commence at the beginning of a calendar week. An employee and his supervisor may mutually agree to change a previously scheduled vacation.

### **C. Vacation Allowance**

1. Each employee granted a vacation will be paid a vacation allowance equal to forty (40) times his hourly equivalent salary rate.
2. Vacation allowance will be payable to the estate of any deceased employee provided the deceased had qualified for a vacation before death. Payment of the allowance should be made to the same person who is entitled to receive unpaid wages.
3. A holiday falling within the vacation week counts as a day of vacation. However, an employee who has fulfilled the eligibility requirements for the unworked holiday shall have a choice of a day off or holiday pay in addition to his regular vacation pay.
4. An employee who quits or is discharged shall receive any unused vacation allowance for which he is eligible.
5. If an employee becomes entitled to a vacation in the last quarter (1/4) of a calendar year, he would be given an opportunity to anticipate and take the vacation prior to the entitlement, and be paid for that vacation after the date of entitlement.

6. The Company may, with the consent of the employee, pay him vacation allowance, in lieu of time off for vacation, for any weeks of regular vacation in excess of two weeks in any one calendar year. If a request for pay in lieu of vacation is made during the vacation selection period, it shall be given. If the request is made after the first of the year, it is the Company's option.

D. Transferees into Bargaining Unit

Any person transferring into the bargaining unit from some other job with the Company will receive vacation in accordance with this Agreement, except that the number of weeks for which the employee would be eligible will be reduced by the amount of vacation already taken during that calendar year.

E. Vacation Shutdowns

In case management desires to schedule regular vacations for employees eligible therefore during a shutdown period instead of in accordance with the previously established vacation schedules for that year, management shall give sixty (60) days notice of such intent; in the absence of such notice, an affected employee shall have the option to take his regular vacation during the shutdown period or to be laid-off during the shutdown and to take his regular vacation at the previously scheduled time.

F. Vacation Scheduling Grievances

1. It is recognized that the parties locally have the burden of resolving disputes relating to the scheduling of individual vacations pursuant to Subsection C of this Section. Should they be unable to do so in Step 1 of this grievance procedure provided in Section 6 of this Agreement, any such dispute must be submitted as a written grievance in Step 2 not later than 15 days after notification of the scheduled vacation (or changed scheduled vacation) is given to the employee.
2. Such grievance must be so handled in the grievance procedure that: the Step 3 meeting is held and a draft of minutes prepared not later than 80 days prior to the starting date of the scheduled vacation; and, if necessary, decision in arbitration shall be issued by the earlier of: (a) 30 days prior to the scheduled starting date of

## Section 12 – Vacations (cont.)

the vacation, or 30 days prior to the starting date requested by the employee; except that:

- a. In the event the employee is seeking a vacation starting earlier than that scheduled by the Company, the time limits described above shall be applied to the starting date requested by the employee;
  - b. If the period between notice to the employee and the starting date of vacation is less than 100 days, the time limits set out above shall be reduced by the number of days by which such period is less than 100 days; and
  - c. Failure to meet any of the time limits set forth above shall not affect the Company's right to require the employee to take the vacation as scheduled by the Company unless such failure is the fault of the Company.
3. In the resolution of grievances filed under this Subsection, the Company's determination as to the scheduling required to conform to the requirements of operations shall be evaluated on the same basis as heretofore.

### G. Employees Injured, Retiring or Deceased

An employee whose employment is terminated by death or retirement on or before December 31 of any year loses his vacation allowance for the following year. An employee, otherwise eligible, who retires on or after January 1 of the vacation year will be paid his vacation allowance. The vacation allowance of an employee, otherwise eligible, who dies on or after January 1 of the vacation year will be paid to his named Group Life Insurance beneficiary.

### H. Military Service

An employee leaving after January 1st to enter the military service of the United States and who has qualified for a vacation in the year of such entrance shall be granted such vacation with pay or an allowance in lieu of vacation.

An employee who after being discharged from the military

*Section 12 – Vacations (cont.)*

service of the United States is reinstated pursuant to Section 13 - SENIORITY, shall be entitled to a vacation with pay or an allowance in lieu of vacation for the calendar year in which he is reinstated without regard to any requirements other than an adequate record of continuous service.

**I. Vacation Pay Not Assignable**

Vacation pay shall not be assignable or subject to attachment, garnishment or legal process for debts of an employee.

**J. Returning Local Union Officers**

Notwithstanding the absence provisions of Section 12-A-2, an employee who returns to work in any year at the conclusion of a leave of absence granted him for the purpose of accepting full-time employment with the Local Union shall not be disqualified because of such absence from receiving full vacation benefits for the following year.

**K. Vacation Bonus**

**Effective on and after August 1, 2001, each employee who takes a week of vacation in any of the ten consecutive calendar weeks next following the calendar week which includes New Years Day will be paid a vacation bonus of \$250 per week for all such vacation weeks.**

**SECTION 13  
SENIORITY**

**A. Preamble**

It is understood and agreed that in all cases of promotion, demotion, increase or decrease of forces, vacancies and new jobs, plant continuous service seniority shall govern as hereinafter set forth provided the employee has the ability to perform the work.

**B. Intent**

1. It is the intent and purpose of this section to preserve the principle that provided the employee has the ability to perform the work, job security should increase in proportion to length of continuous service without interruption to efficient operations of the plant.
  - a. It is agreed between the parties hereto that in the event of any dispute or disagreement between the Company and its employees or the Union on matters pertaining to this Section, there shall be no work stoppage. Any such dispute or disagreement not settled in Step 2 of the grievance procedure shall be referred to a Seniority Commission composed of one International Representative and one representative of each actively operating plant, to be selected by the Union, and a corresponding number of representatives to be selected by the Company.
  - b. If the Seniority Commission cannot agree on a satisfactory disposition of the dispute, the grievance shall be considered as automatically processed through Step 3 of the grievance procedure and subject to arbitration under Section 7.

**C. Seniority Dates**

1. The plant continuous service date of an employee shall be the date he was last hired.
2. Department incumbency of a new employee shall be established on the date he was hired into the department.

Section 13 – Seniority (cont.)

3. Department incumbency of an employee transferring from another department shall be established as of the effective date of the posted successful bid notice.
4. In the event that the plant continuous service dates of two (2) or more employees are the same, the employee with the earliest birthdate shall be considered to be the most senior.
5. The existing official departmental incumbency lists, with the addition of new employees, shall be conclusive in determining the plant continuous service dates of all present employees.

D. Departmental Incumbency Breaks

1. Department incumbency shall be broken by:
  - a. A break in continuous service.
  - b. Failure to report to the department within 3 days of notice of recall from within the plants.
  - c. Failure to accept any work in the department offered in accordance with the provisions of this Section in lieu of layoff except as otherwise provided in Subsection L-3-d of this Section.

E. Plant Continuous Service Breaks

Plant continuous service shall be broken by:

1. Voluntarily quitting the service.
  - a. Failure of an employee to report his absence from a regularly scheduled turn for a period of 3 consecutive days, or failure of an employee on layoff to report or acknowledge such notice to report within 5 days of written notice, shall be reported by the Company to the Union in writing, and a copy of such report shall be mailed by certified mail to the employee involved at his last known address as shown on Company records. If within 7 days thereafter, good and sufficient reason is not shown for failure so to report, such employee shall be deemed to have voluntarily quit the service.

- b. An employee who fails to accept any work offered in accordance with the provisions of this Section in lieu of layoff or an employee on layoff who fails to accept any work offered shall also be deemed to have voluntarily quit the service, except as otherwise provided in Subsections L and M of this Section.
2. Discharge unless reversed by the grievance procedure.
  3. Layoff which extends beyond 4 years.
  4. Termination unless reversed by the grievance procedure.
- F. Probationary Employees

New employees and those hired after a break in continuous service shall be regarded as probationary employees for the first **one thousand** hours of actual work in the employment of the Company. During this period of probationary employment, such employees may initiate complaints under this Agreement, but may be transferred, laid off, terminated, or discharged as exclusively determined by Management; provided that this will not be used for purposes of discrimination because of race, color, religious creed, national origin or sex or because of membership in the Union. Probationary employees continued in the service of the Company for more than **one thousand** hours of actual work shall receive full plant continuous service and departmental incumbency credits as provided in Subsection C of this Section. At the time of a reduction of force due to lack of work, a probationary employee may be laid off or terminated as determined by the Company. If terminated, a probationary employee will have no recall rights and if subsequently rehired will be considered a new employee. However, where a probationary employee is relieved from work because of lack of work and his employment status terminated in connection therewith, and he is subsequently rehired at the same plant within one year from the date of such termination, the hours of actual work accumulated by such probationary employee during his first employment shall be added to the hours of actual work accumulated during his second employment in determining when the employee has completed **one thousand** hours of actual work; provided, however, that should such an employee complete **one thousand** hours of actual work in accordance with this sentence, his continuous service date will be the

## Section 13 – Seniority (cont.)

date of hire of his second hiring. If, however, such an employee is rehired within two weeks of his last termination from employment at the same plant, his continuous service date will be the date of hire for his prior employment. If laid off, a probationary employee will be entitled, for a period of 90 days thereafter, to recall to available work with the Company by seniority. If recalled, such a probationary employee will be credited with the number of working hours accumulated prior to his layoff toward completion of his probationary period but such previous service shall not be credited with respect to departmental incumbency.

### G. Temporary Summer Employees

1. Temporary summer employees may be hired each year during the period May through September. Such temporary summer employee hiring will be accomplished in accordance with guidelines established for such purpose. Management will meet with the Union to develop and mutually agree to such guidelines.
2. Persons in the bargaining unit as temporary summer employees will be considered as probationary employees throughout the tenure of their employment and will not be eligible to participate in any benefit programs or in the Profit Sharing, Productivity Gainsharing and Employment Security Plans and they shall not accumulate continuous service.

### H. Permanent Vacancies

1. Permanent vacancies within a department shall be posted for applications within such department for a period of not more than 7 days nor less than 5 days, unless such period is reduced by mutual agreement between the Company and the Union. Such posting shall be as soon as practicable after the vacancy becomes apparent and shall insure complete and adequate notice to all affected employees of (i) the vacancies and, subsequently, (ii) the employees selected, including their plant continuous service dates.
2. A permanent vacancy shall not be made available to employees outside the department while an incumbent employee of such department is on layoff unless mutually agreed between the Company and the Union.

*Section 13 – Seniority (cont.)*

3. Permanent vacancies within a department shall be made available to employees by plant continuous service in the following order:
  - a. To the senior qualified employees of the departmental section on a sectional incumbency basis if such subdivisions are recognized.
  - b. To the senior qualified employees of the department on a departmental incumbency basis.
  - c. To the senior qualified employees of the division on a plant continuous service basis.
  - d. To the senior qualified employees of the plants on a plant continuous service basis as outlined in subsection 1 of this section.
  - e. In the event a vacancy on the same job occurs, the senior qualified employee will have an option to select the initial vacancy. Any subsequent vacancy, to the above, will be filled by a new person entering into the classification.

Vacancies not filled after following the above procedure shall be filled by assignment of the senior bidder in the order prescribed in a, b, c, or d above.

4. Vacancies not filled in the above manner shall be filled in any manner deemed expedient by the Company. This paragraph is not intended to allow the use of temporary employees on permanent vacancies.
5. Successful applicants for vacancies pursuant to the provisions of this Subsection must accept such assignment except as provided by the Consent Decree Implementation Committee for departments where intra-department bids prior to September 14, 1974, resulted in a seniority date adjustment. A successful applicant in any of those departments shall have the right to return to the seniority unit from which he transferred, within a 45 calendar day period commencing from the date of his transfer provided that management does not delay the transfer for up to an additional 45 day period in order to address plant staffing needs. If Management should return him to his former unit

because he cannot meet the requirements of the job to which he has been assigned in his new unit, such return shall be made within such 45 calendar day period. In either event, his return to his former seniority unit within such 45 calendar day period shall be without loss of his seniority standing in such unit, however, the employee shall not be eligible for seniority unit transfer for a period of 1 year following return to the former seniority unit.

6. Employees transferring to permanent jobs shall not be entitled to return to their former jobs except as provided in Subsections H-5 and I-2; however, any employee transferring to another department from which he is displaced before the expiration of 60 calendar days, shall return to his original department and job with no recall rights to the department into which he was transferred, and shall be entitled to full consideration for advancement to any permanent vacancy in his department which occurred during his absence.
7. When a new department is placed in operation, the jobs shall be made available to all employees of the plants covered by this Agreement and preference shall be given the employees having the greatest length of plant continuous service. To implement this section, a list of jobs and contemplated rates in the new department shall be posted on the bulletin boards throughout the plants. An employee so transferring to a job in such new department shall have the right to return to his former department within 45 workdays without loss of incumbency in his former department provided that management does not delay the transfer for an additional 45 workday period in order to address plant staffing needs. After 45 workdays, his transfer to the new department shall become final, except as provided in Subsection I below.
8. When new facilities are added, the Company and the Union will discuss whether such facilities shall comprise a new department or become an addition to an existing department. In event of disagreement, the Company's determination shall be subject to the grievance and arbitration procedure.

I. Plant Wide Bid Procedure

Application Procedure

1. Plant Wide Bid Opportunity Lists will be posted every 6 months on Plant Wide Bid Boards calling employees' attention to the procedure to apply for jobs made available for Plant Wide Bid and shall insure complete and adequate notice to all affected employees of (a) the vacancies and subsequently, (b) the employees selected, including their plant continuous service dates. Employees who desire to bid to other departments must apply for such bids at their respective Personnel Offices, but each employee shall be limited to 3 active requests at any one time.
2. An employee who transfers pursuant to this procedure shall have the right to return to the seniority unit from which he transferred within a 45 calendar day period commencing from the date of his transfer provided that management does not delay the transfer for an additional 45 day period in order to address plant staffing needs. Furthermore, if Management should return him to his former unit because he cannot meet the requirements of the job to which he has been assigned in his new unit, such return shall be made within such 45 calendar day period. In either event, his return to his former seniority unit within such period shall be without loss of his seniority standing in such unit, however, the employee shall not be eligible for seniority unit transfer for a period of 1 year following return to the former seniority unit.
3. When an employee is assigned to an opening for which he has filed an application, all other applications he may have on file at that time shall be automatically cancelled.
4. Except as specified in Subsection I-3 above, applications will remain on file until:
  - (a) the employee quits, is discharged, (unless discharge is reversed) or is on a leave of absence to exceed 14 days, or
  - (b) a year has elapsed from the date of the application, or

- (c) the employee signs a cancellation of a bid or files a subsequent bid application.
5. An employee who is temporarily absent from work for any reason other than vacation or illness, will not be considered for a plant bid award if he will not be available to report for work within 7 calendar days of the date the job applied for becomes open.

J. Temporary Vacancies

1. When it becomes necessary to fill a temporary vacancy, it shall be filled by assignment of the senior qualified (plant continuous service) eligible employee on the turn within the department or section in which such vacancy occurs except that the lower jobs in such department or section may be filled by promotion.
2. Vacancies not filled after following the above procedure may be filled by assignment of a capable employee from the plant.

K. Temporary Employees

Should the Company demonstrate the need to hire employees to fill a temporary position or vacancy, such employee may be hired into the bargaining unit and that employee will continue to work for a period not to exceed 90 working days on any one assignment, subject to the extension by mutual agreement. The Company shall not make use of an outside agency in these matters other than as a referral source if necessary. All temporary employees shall be employees of National Steel and shall be subject to the Union Membership and checkoff provisions of this agreement. Persons employed on Bargaining Unit jobs as Temporary Employees will be considered as Probationary Employees throughout their tenure as a temporary employee.

Employees who are hired under this provision shall be eligible for benefits in accordance with the Basic Labor Agreement or program of insurance benefits then in effect, except that the following benefits will not be provided:

- 401K Program
- Long Term Disability Benefits
- Salary Continuance

- Profit Sharing
- Productivity Gain Sharing
- Allowance for Jury Duty or Funeral Leave
- Vacation
- Retirement/Pension Plan
- Basic Life Insurance
- Supplemental Life Insurance
- Personal Accident Insurance
- Travel Accident Insurance
- Flexible Spending Account
- Employment Security

Prior to hiring temporary employees, the Company shall meet with the Local Union President and Chairperson of the Grievance Committee to review the need for such employee, anticipated utilization and impact of such temporary employee on the bargaining unit, and expected duration for the usage of the temporary employee for each assignment. Temporary employees shall be used on an overtime basis only as an employee of last resort and after unit employees have been canvassed and declined to work such overtime. While there are temporary employees in the plant, the Company shall furnish to the Union on a monthly basis a report stating the employee's location in the plant, total hours worked on a year-to-date basis, reason the position is being filled with a temporary employee, and date the employee was assigned to the position.

L. Notice of Reduction of Forces

Reductions of forces being effected by the Company in accordance with Management's rights under Section 3 shall be discussed with the appropriate Divisional Grievanceman as far in advance as possible to work out the details of such reduction in force. The final decision in effecting such reductions of forces in accordance with the provisions of this Section shall rest exclusively with the Company.

M. Representatives' Preference on Reduction of Forces

1. When Management decides that the working force is to be reduced:
  - a. the President and Divisional Grievanceman, if employed, shall be retained in their respective

departments or subsections regardless of seniority status, for such hours per week (not in excess of the normal workweek) as may be scheduled, provided they can perform the work of the jobs to which they may be entitled.

2. Assistant or temporary representatives shall have no privileges under this Subsection.

**N. Reduction of Forces**

1. The intent of this Subsection is to provide an efficient method of reducing forces when occasion demands, preserving the principle that no employee shall remain at work while a qualified employee with more plant continuous service is on an extended lay-off due to lack of work. Employees placed on other jobs in the procedures outlined in this Subsection must be qualified to perform the work involved with no break-in period other than normal instructions from the supervisor and the cooperation of other employees in the department.
2. Employees displaced from their regular departments shall not accumulate temporary incumbency in their new departments and shall have no seniority rights except in competition with other temporarily assigned employees, but shall be assigned available jobs on the basis of their plant continuous service and shall have recall rights only to their regular departments.
3. When it is necessary to reduce forces in any department for an extended period of time, the following procedure shall prevail:
  - a. The Company shall determine the number of employees to be released in the department.
  - b. The Company shall layoff the equivalent number of employees last hired. Whenever practicable this shall occur at the end of a calendar week.
  - c. Employees released from their departments by plant continuous service and who are qualified to perform the work to which they are assigned shall be assigned to departments where there are vacancies resulting from the layoff described in

*Section 13 - Seniority (cont.)*

paragraph b above, wherever possible at the start of a calendar week, on the basis of plant continuous service dates, with the following preferences:

- 1) To the highest rate available within their department.
- 2) To the highest departmental starting rate available within any of the plants covered by this Agreement.

**O. Recall**

1. Employees on layoff shall be recalled on the basis of their plant continuous service. Such employees may not demand the exercise of their departmental incumbency for a period of 2 calendar weeks following recall, except when vacancies occur, but shall not be deprived of their departmental incumbency rights for a period longer than 2 calendar weeks.
2. Employees working in the plants, who are recalled to vacancies within their regular departments, will be so recalled on the basis of plant continuous service provided they have the ability to perform the work. Such employees must accept recall to any job in their regular departments as provided in this section unless, in the meantime, they have been assigned a permanent job in the manner provided for in Subsection I and they elect to retain such permanent job. If the employee elects to retain such permanent job, he shall sign a written waiver of his recall rights to his former department.
3. Any employee who, while on layoff from his original department, is awarded a permanent vacancy in another department in accordance with Section 13-I, from which he is again laid off and who later fills a permanent vacancy in other departments, is entitled to recall to any such department in which he held permanent incumbency; provided, however, that if recall is accepted to any department, recall rights to all subsequent departments are cancelled but recall rights to any prior departments are preserved unless waived as provided in 2 above.

P. Definitions for the Purpose of this Section

1. "Temporary vacancies" are defined as vacancies not expected to exist for a period in excess of 60 consecutive calendar days unless extended by mutual agreement between the Company and the Union.
2. "Permanent vacancies" are defined as vacancies expected to exist for a period extending beyond 60 consecutive calendar days.
3. "An extended layoff due to lack of work" and "an extended period of time" are each defined as a period of not less than 2 calendar work-weeks but may be more if mutually agreed upon between the Company and the Union.
4. Incumbency means that the employee has been assigned, or was a successful bidder, and regularly worked on any permanent vacancy in the unit, section or department and has not voluntarily relinquished his rights to such job by voluntary transfer to another department, section or unit. When a recall occurs, and there are no demoted incumbents, an open job would then, if filled, be filled as a permanent vacancy. Temporary assignees may not establish incumbency except by plant wide bid.

Q. Compensation for Improper Layoff or Recall

In the event of improper layoff or failure to recall an employee in accordance with his seniority rights, in the absence of mutual agreement to an equitable lump sum payment, he shall be made whole for the period during which he is entitled to retroactivity in the same manner set forth in Section 8-D.

R. Leaves of Absence

1. Leaves of absence in excess of 2 scheduled work-weeks must be mutually agreed upon by both the Company and the Union. Such leaves will not be granted for the purpose of permitting the employee to work elsewhere. Employees returning from extended sick leaves and authorized leaves of absence shall be entitled to return to their own jobs with full seniority credits, except as otherwise provided in writing, and shall be entitled to full consideration for advancement to any

*Section 13 – Seniority (cont.)*

permanent vacancy in their department which occurred during their absence.

2. An employee who is entitled to return to employment from a leave of absence under Section 13-S, Union Representatives' Leaves of Absence, and who does return to employment from such leave of absence, shall be entitled to return to his own job with full seniority credits or to full consideration for advancement to any permanent vacancy which occurred during his absence in his department or in a new department created during his absence.
3. An employee who is entitled to return to employment from a leave of absence under Section 13-S, Union Representatives' Leaves of Absence, and who does return to employment from such leave of absence, shall then receive a plant wide bid under Section 13-I, notwithstanding the provisions of Section 13-I, 4 and 5 if
  - a. prior to the commencement of such leave of absence, he has duly filed a request for such bid, or
  - b. during such leave of absence, but prior to the occurrence of the opening under Section 13-I, he has filed or changed a bid application for such bid; provided, however, that when the first opening occurs to which he shall receive such a bid, the remaining bid requests that he has on file shall be automatically cancelled.
4. An employee specified in paragraphs 2 and 3 above, must choose, at the time of his return to employment from such leave of absence, to accept (1) any bid to which he is entitled under paragraph 2, above, or (2) any bid to which he is entitled under paragraph 3, above, or (3) any job in his department to which he is entitled under Section 13-S.
5. An employee displaced in the procedures specified in paragraphs 1, 2 or 3 above, but entitled to remain in his department, shall be entitled to return to his own job with full seniority credits or to full consideration for advancement to any permanent vacancy in his depart-

ment which occurred during the time he last occupied the job from which he is being displaced. An employee displaced in such procedures who is not entitled to remain in the department shall return to his former department to exercise his seniority rights therein and shall forfeit all incumbency rights in the department from which he has been displaced.

S. Union Representatives' Leaves of Absence

1. Employees who are selected for full-time employment with the Local Union shall be granted leaves of absence for the period of such employment.
2. The President, Vice-President, Recording Secretary, Financial Secretary, Treasurer, Grievance Chairman, Grievance Committeemen, and the Divisional Safety Chairmen of each plant, if employed, shall be granted temporary leaves from their regular jobs, without pay, upon proper notice to the immediate supervisor to attend to official Union business. Other employees may have similar privileges, but only after prior arrangements have been made with the Labor Relations Department.

T. Supervisor's Rights to Return to Bargaining Unit

1. The seniority status within the bargaining unit of a salaried-rated employee who is transferred out of the bargaining unit to a regular salary paid position, and who is later transferred back to the bargaining unit, shall be as set forth in the arbitration award of May 11, 1955, by William Haber and shall be binding on this bargaining unit according to the spirit and intent of this award.
2. A bargaining unit employee who is continuously assigned as a salaried paid "sub-supervisor" may be assigned to such position for an indefinite period of time for the purpose of filling a vacancy created by the absence of a regular salaried supervisor.
3. A bargaining unit employee who is continuously assigned as a salary paid "supervisor" for any reason other than to fill a vacancy created by the absence of a regular salaried supervisor may be assigned to such "supervisor" position for a continuous period of six

months. Immediately prior to the expiration of such six-month period the Company and the Union shall meet and review the circumstances then involved and after such review the period of time may be extended by the Company for an additional six-month period subject to the grievance procedure to determine whether or not such extension was granted for good and sufficient reasons. If a bargaining unit employee is continuously assigned to a salaried paid "supervisor" position contrary to the provisions of this paragraph, he shall be considered as having been transferred to a regular salaried supervisor position at the expiration of the applicable period of time provided herein and his seniority status thereafter shall be governed by the provisions of paragraph 1 above.

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

#### U. Immediate Job Rights of a Returning Employee

When an employee, following absence for any reason, returns to work after the beginning of a workweek, he shall not be permitted to return to his job until the next workweek if by such return he will cause any employee who may have been reassigned from another turn as a result of such absence to lose time in such work week. In the event the returning employee is not assigned to his own job for the balance of the week, he shall be assigned to other work within his department, if such is available.

#### V. Reassignments

It is understood between the parties that recalls, transfers, promotions, assignment of employees returning from leaves of absence, etc., will be made as expeditiously as possible and with a minimum amount of time lost by the employees. It is also understood between the parties that in all cases of

assignment, hourly equivalent salary rate will be used to determine the best job.

**W. Complaints**

Complaints under any of the provisions of the Basic Labor Agreement must be presented promptly within 30 calendar days.

The following Subsection 13-X shall become operative as the Companies and Unions involved adopt identical provisions:

**X. Revised Interplant Job Opportunities**

1. Priority in the filling of permanent vacancies in Office and Technical bargaining units of National Steel Corporation plants which are not filled from the plants wherein the vacancies exist according to such plants' seniority provisions shall be afforded to employees of the other plants in accordance with the following:

- a. Employees who have 2 or more years of National Steel Corporation ("Company") continuous service,
- b. Who have been placed on layoff from employment in their home plants for 90 or more days, and
- c. Who make application for employment at another plant of the Company on a form provided by the Company,
- d. Shall be given priority in filling permanent vacancies at the other plant over new hires and probationary employees, in order of their Company continuous service.
- e. In each case provided that such employees have the requisite qualifications to perform the work, and meet medical qualifications no higher than those which would have been required upon recall at their home plants.

2. An employee laid off from one plant who is offered and who accepts a job at another plant in accordance with the foregoing provisions will have the same obligation to report for work there as though he were a laid-off employee of that plant.

*Section 13 – Seniority (cont.)*

He will be considered as a new employee at that plant for all purposes except that the provisions applicable to probationary employees will not be applicable.

3. An employee who rejects a job offered to him under these provisions, or who does not respond within 5 days of the time the offer is made, shall be removed from those eligible for priority hereunder. He may apply for reinstatement by application pursuant to Subsection X-1 -C above; provided, however, that he shall be entitled to only one such reinstatement during the period of one year after such rejection, unless he is recalled to active employment and again laid off during the one-year period after such rejection.
4. Continuous service shall be considered as follows:
  - a. For an employee who accepts a job at another plant, his plant continuous service for determining his seniority for purposes of promotion, decrease in forces, or recalls after layoff at that plant shall be his continuous employment at that plant plus sixty (60) days.
  - b. For an employee assigned to another plant, he may at any time during the first six (6) months of employment at that plant, (or during a period of layoff in the first year of such employment) elect to terminate such employment without breaking his continuous service at his home plant, provided he gives two weeks written notice to management at both plants.
  - c. For an employee who accepts a job at another plant who is recalled to work at his home plant during the first year of such employment, he shall have the option to stay or return, unless directed by management to return.
    - (1) If the employee elects to stay, his continuous service at his home plant will be cancelled.
    - (2) If the employee elects to return, his continuous service at the other plant will be cancelled.
    - (3) If directed to return by management, his con-

*Section 13 – Seniority (cont.)*

tinuous service at the other plant will continue to accrue until such time as management gives him the option to recommence employment at the other plant.

- d. For an employee who completes one (1) year of service at that plant, his continuous service at his home plant will be cancelled and the plant to which he was assigned will then become his home plant.
5. When an employee is recalled to his home plant from another plant, and the Management at such other plant has sound reason for not immediately releasing such employee, the employee may be retained at such other plant without penalty for the calendar week in which such recall occurs. If the employee is retained beyond this period for the convenience of management at such other plant, he shall receive in addition to pay for the job performed, such special allowance as may be required to equal the earnings that otherwise would have been realized by the employee on the job to which he was recalled by his home plant.
  6.
    - a. An employee who is assigned a job or who returns to his home plant under this Subsection X and who changes his permanent residence as a result thereof will receive a relocation allowance of \$550 for single employees and \$1450 for married employees promptly after the commencement of his employment at the plant to which he is relocated provided he makes written request for such allowance in accordance with the procedure established by the Company.
    - b. The amount of any such relocation allowance will be reduced by the amount of any relocation allowance or its equivalent to which the employee may be entitled under any present or future federal or state legislation; and the amount of such allowance shall be deducted from monies owed by the Company in the form of pay, vacation benefits, SUB benefits, pensions, or other benefits, if the employee quits, except as it shall be agreed locally that the employee had proper cause, or discharged for cause any time during the 12 months following the start of such new job.

*Section 13 – Seniority (cont.)*

- c. Only one relocation allowance will be paid to the members of a family living in the same residence.
- 7.
- a. The operation of this Subsection X will be subject to periodic review by a committee, consisting of a representative of the Company and a representative of the International Union, who shall meet whenever necessary to review the operation of this Subsection and to consider and resolve any problems that may arise from their operation. The Company shall supply to such committee pertinent information relating to the operation of these Subsections. Further, the Committee shall develop procedures to assure efficient operation of this Subsection X.
  - b. Complaints or grievances relating to the application of this Subsection X, which cannot be resolved by the committee, shall be filed directly in the Third Step of the grievance procedure.
  - c. The Company will not be liable for any retroactive pay with respect to any period prior to 4 days or the beginning of the payroll week, whichever is later, after filing of the grievance.

**Y. Consent Decree**

The provisions of Consent Decree I (as amended by agreement of the parties) entered in United States of America, et al., v. National Steel Corporation, (Civil Action No. 74P339 in the United States District Court for the Northern District of Alabama) and any applicable amendment thereto, are hereby made a part of this Agreement as though expressly incorporated herein.

**SECTION 14  
SAFETY AND HEALTH**

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

The Company and the Union will cooperate in the continuing objective to eliminate accidents and health hazards. The Company, the Union, and the employees recognize their obligations and/or rights under existing Federal and/or state laws with respect to safety and health matters. The Company shall make reasonable provisions for the safety and health of its employees at the plant during the hours of their employment.

The parties further understand and support the following Safety Policy:

It is the policy of the Company that personal injury and property damage are preventable and that it is both a moral obligation and sound business practice to prevent accidents, unsafe conditions, and occupational illness. More specifically:

1. Occupational accident and illness prevention is a major concern of the leadership within both Company and Union.
2. Safety must be an integral part of our business - every bit as important as production, cost, quality, and operational effectiveness.
3. Equally important, every employee must accept responsibility for following safe work practices and for encouraging fellow employees to perform their assigned work in a safe manner.
4. Every member of management has the responsibility to provide a safe work environment along with the proper equipment, housekeeping, and training needed to prevent occupational illness and injury.
5. Every employee is obligated to comply with the established safety rules and procedures to help ensure a safe, clean, and healthful workplace.
6. Safety is simply a smart way to work - and is an impor-

*Section 14 – Safety and Health (cont.)*

tant measure of joint leadership effectiveness.

7. Every employee shares responsibility for ensuring that safety concerns/conditions receive prompt attention.
8. A cooperative effort between Union and management is a key factor in assuring a safe workplace.

The objective of the Company is to create an environment where everyone shares a concern for their own safety and the safety of their fellow workers.

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

Upon the request of the Union Co-Chairman of the Health, Safety, and Environment Committee, the Company shall provide in writing requested information from material safety data sheets or their equivalent on toxic substances to which employees are exposed in the work place; provided that where the information is considered proprietary, the Company shall so advise the Union Co-Chairman, and provide sufficient information for the Union to make further inquiry.

The Company will continue its program of periodic inplant air sampling and testing under the direction of qualified personnel. Where the Union Co-Chairman of the Health, Safety, and Environment Committee alleges a significant on-the-job health hazard due to in-plant air pollution, or noise, the Company will also make such additional tests and investigations as are necessary and shall notify the Union Co-Chairman of the Health, Safety, and Environment Committee when such a test is to take place. The Union Co-Chairman of the Health, Safety, and Environment Committee or his designee shall be afforded the opportunity to observe the sampling that is being done. A report based on such additional tests and investigations shall be reviewed and discussed with the Joint Health, Safety, and Environment Committee. For such surveys conducted at the request of the Union Co-Chairman of the Health, Safety, and Environment Committee, a written summary of the Sampling and testing

## *Section 14 – Safety and Health (cont.)*

results and the conclusions of the investigation shall be provided to the Health, Safety, and Environment Committee.

When in the opinion of the International Safety and Health Department, or the Local Union Health, Safety, and Environment Committee, additional information in the possession of the Company may be useful to an understanding of a potential significant health hazard which is alleged to exist, the Company, upon written request by the International Safety and Health Department, or the Local Union Health, Safety, and Environment Committee, will furnish such information. This information may include engineering studies, process descriptions, equipment specifications, ventilation studies, environmental studies and reports (including Environmental Protection Agency) information, and toxicological and epidemiological surveys but does not create an obligation to release personal medical information without the written consent of the affected employee. All such information shall be utilized in the businesslike manner for the sole purpose of the understanding of potential significant health or safety hazards.

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

The Company will provide the Local Union Safety Chairman with access to Safety Department computer terminals in order to monitor the status of safety work orders and injury statistics (when applicable).

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

An employee who, as a result of an industrial accident, is unable to return to his assigned job for the balance of the shift on which he was injured will be paid for any wages lost on that shift. No employee shall be subject to discipline solely due to having incurred an industrial accident. This provision shall not operate to preclude appropriate discipline for violations of safety rule or other employee misconduct.

The Company shall enforce safety rules and policies to the

extent reasonable and practicable, as they apply to all non-bargaining unit persons entering the plant. The Company will review instances of violations of safety rules and policies by non-bargaining unit persons and corrective actions taken at the regularly scheduled Joint Health, Safety, and Environment Committee meetings.

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

1. Protective devices, wearing apparel, and other equipment necessary to properly protect employees from injury shall be provided by the Company in accordance with practices now prevailing or as such practices may be improved from time to time by the Company. Goggles, hard hats, hearing protectors, face shields, respirators, special purpose gloves, fire retardant, water resistant or acid resistant protective clothing when necessary and required shall be provided by the Company without cost, except that the Company may assess a fair charge to cover loss or willful destruction thereof by the employee. Proper heating and ventilating systems shall be installed where needed.
2. When the Company introduces new personal protective apparel or extends the use of protective apparel to new areas or issues new rules relating to the use of protective apparel, the matter will be discussed with the members of the Health, Safety, and Environment Committee in advance with the objective of increasing cooperation. Should differences result from such discussions, a grievance may be filed in Third Step by the Union Co-Chairman of the Health, Safety, and Environment Committee within 30 days thereafter. In the event that the grievance progresses through the grievance procedure to arbitration, the Arbitrator shall determine whether such rule or requirement is appropriate to achieve the objective set forth in Subsection A.

**C. Disputes**

An employee or group of employees who believe that they are being required to work under conditions which are unsafe or unhealthy beyond the normal hazard inherent in the operation in question shall have the right to: (1) file a grievance in the Third Step of the grievance procedure for preferred handling in such procedure and arbitration; or (2) relief from the job or jobs, without loss to their right to return to such job or

jobs, and, at Management's discretion, assignment to such other employment as may be available in the plant; provided, however, that no employee, other than communicating the facts relating to the safety of the job, shall take any steps to prevent another employee from working on the job. Should either Management or the Arbitrator conclude that an unsafe condition within the meaning of this Subsection C existed and should the employee not have been assigned to other available equal or higher-rated work, he shall be paid for the earnings he otherwise would have received. The Arbitrator shall have authority to establish rules of procedure for the special handling of grievances arising under this Subsection C. It is recognized that emergency circumstances may exist and the local parties are authorized to make mutually satisfactory arrangements for immediate arbitration to handle such situations in an expeditious manner.

**D. Joint Health, Safety, and Environment Committee**

The function of the presently established Health, Safety, and Environment Committee shall be to advise with plant Management concerning safety and health matters but not to handle grievances. The Committee shall be composed of two divisional safetymen, one of which designated Union Co-Chairman of the Joint Health, Safety, and Environment Committee. In the discharge of its function, the safety committee shall: consider existing practices and rules relating to safety and health, formulate suggested changes in existing practices and rules, recommend adoption of new practices and rules, review proposed new safety programs developed by Management and review disabling injuries which have occurred in the plant including OSHA form 200 and make appropriate recommendations. When the Company introduces new personal protective apparel or extends the use of protective apparel to new areas or issues new rules relating to the use of protective apparel, the matter will be discussed with the members of the Health, Safety, and Environment Committee in advance with the objective of increasing cooperation. Advices of the Health, Safety, and Environment Committee, together with supporting suggestions, recommendations, and reasons, shall be submitted to the plant Manager of Safety for his consideration and for such action as he may consider consistent with the Company's responsibility to provide for the safety and health of its employees during the hours of their employment and the mutual objective set forth in Subsection A.

*Section 14 – Safety and Health (cont.)*

The Joint Health, Safety, and Environment Committee will be charged with the responsibility of recommending agenda items for the monthly safety meetings and safety contacts. Agenda items will include, but not limited to, topics from the following:

1. 5 minute safety talks
2. Tool box safety contacts
3. Safe Work Practice and/or Job Safety Analysis review
4. Seasonal safety topics
5. New OSHA regulations
6. Serious incidents within the division, corporation and/or industry

These recommended agenda items will be developed on a quarterly basis.

The Company shall provide at least one week of training annually for the members of the Joint Health, Safety, and Environment Committee relative to the various functions of the Committee and other appropriate specialized instruction.

The Company shall pay the Union members of the Joint Health, Safety, and Environment Committee lost time for the time associated with an additional week of safety training (up to 5 days) annually and the Union shall pay the cost of such training and other associated expenses. In the event the Local Union cannot pay for the training and expenses in any given year, the Union may choose not to participate in the training for that year.

In the event the Company requires an employee to testify at the formal investigation into the causes of a disabling injury, the employee may arrange to have the Union Co-Chairman of the Health, Safety, and Environment Committee or the Union member of such committee designated by the Union Co-Chairman to act in his absence present as an observer at the proceedings for the period of time required to take the employee's testimony. The Union Co-Chairman will be furnished with a copy of such record as is made of the employ-

ee's testimony.

In addition, in the case of accidents which resulted in disabling injury or death or accidents which could have resulted in disabling injury or death and require a fact finding investigation, the Company will, as soon as is practicable after such accident, notify the Union Co-Chairman of the Health, Safety, and Environment Committee or the Union member of such Committee designated by the Union Co-Chairman to act in his absence who shall have the right to visit the scene of the accident promptly upon such notification, if he so desires, accompanied by the Company Co-Chairman or his designated representative and the Company will add the Union CoChairman of the Health, Safety, and Environment Committee, or the Union member of such committee designated by the Union Co-Chairman to act in his absence, to the notification list for such accidents. After making its investigation, the Company will supply to the Union Co-Chairman of the Health, Safety, and Environment Committee, a statement of the nature of the injury, the circumstances of the accident, and any recommendations available at that time. In such cases, when requested by the Union Co-Chairman, the Company CoChairman of the Health, Safety, and Environment Committee, or his designated representative, will review the statement with the Union Co-Chairman. Also, in such cases, the Company Co-Chairman of the Health, Safety, and Environment Committee, or his designated representative, when requested by the Union Co-Chairman, will visit the scene of the accident with the Union Co-Chairman, or in his absence, his designated substitute. The Company accident report will indicate any overtime worked on the five (5) days prior to the accident.

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

to provide such information.

Once each year the Company will, from the same source described above, provide to the International Union Safety and Health Department the OSHA Form 200 Summary of Occupational Injuries and Illnesses or its equivalent for each plant covered by this Agreement. Upon request and for specific locations where detailed information is necessary, the Company will, from the same source, provide a copy of the OSHA Form 200 Log of Occupational Injuries and Illnesses or its equivalent. The Company will also provide once each year to the International Union Safety and Health Department the year end Lost Workday Case Incident Rate and Fatal Injury Incidence Rate for each plant covered by this Agreement.

The Union shall designate three representatives, one of which will be the Local Union President and the other two to be from the Health, Safety, and Environment Committee and the Company shall designate three representatives to a joint Company level committee on Health, Safety, and Environment which shall meet quarterly to review the operation of this Section with a view to achieving maximum understanding as to how the Company and the Union can most effectively cooperate in achieving the objective set forth in Subsection A.

If the Union Co-Chairman or his designee is not at work, he shall be granted access to the plant at all reasonable times for the purpose of conducting the legitimate business of the committee after notice to the head of the department to be visited or his designated representative.

The Union and Company members of the Committee shall jointly formulate an agenda of safety and health topics to be discussed in the event of an annual meeting of Company and Union representatives.

#### **E. Limitation on Use of Disciplinary Records**

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

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

**F. Safety and Health Training**

**1. General**

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

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

**2. Training of Newly Hired Employees**

Newly hired employees shall receive training in the general recognition of safety and health hazards, their statutory and basic labor contract rights and obligations and the purpose and function of the Company's Safety, Health and Medical Departments, the Joint Health, Safety, and Environment Committee and the International Union Safety and Health Department. In addition, upon initial assignment to a job, such employees shall receive training on the nature of the operation or process, the safety and health hazards of the job, the safe working procedures, the purpose, use and limitations of personal protective equipment required, and other controls or precautions associated with the job.

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

level.

3. Training of Other Employees

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

4. Retraining

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

G. Medical Records

The Company shall maintain the confidentiality of reports of medical examinations of its employees and shall only furnish such reports to the employee or a person designated by the employee upon the proper written authorization of the employee; provided, that the Company may use or supply medical examination reports of its employees in response to subpoenas, requests to the Company by any Governmental agency authorized by law to obtain such reports, and in arbitration or litigation of any claim or action involving the Company. Whenever the Company physician detects a medical condition which, in his judgment, requires further medical attention, the Company physician shall advise the employee of such condition or to consult with his personal physician.

H. Alcoholism and Drug Abuse

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

*Section 14 – Safety and Health (cont.)*

I. Safety Shoe Allowance

Company will continue its present policy on safety shoes.

Employees may purchase safety shoes in places other than the plant safety shoe store.

**SECTION 15  
MILITARY SERVICE**

- A. All employees who enlist or who have enlisted in the armed forces of the United States of America or who have been or will be called for duty under any law of the United States of America, shall have leave, during which period of leave their seniority shall continue to accumulate in accordance with the provisions of the applicable statutes. Within thirty (30) days after such an employee returns to work for the Company he shall make any election with respect to seniority rights to which he may be entitled under applicable statutes. Such employees returning in a disabled condition shall be extended special consideration for jobs suitable to their physical capabilities.
- B. Reasonable programs of training shall be employed in the event employees do not qualify to perform the work on the job which they might have attained except for absence in such service.
- C. Employees reinstated under this section who desire to pursue a course of study in accordance with the federal law granting them such opportunity shall be granted a special leave of absence for that purpose. Such employees shall not accumulate seniority during such period of schooling but shall retain the continuous service and departmental incumbency established prior to the granting of such leave of absence and shall be entitled to re-employment at such work as said continuous service and departmental incumbency may entitle them. Such employees must report to the Company within 30 days after the completion of such schooling and furnish satisfactory proof of having attended school on a full-time basis during their absence.

An employee with one or more years of continuous service who is required to attend an encampment of the Reserve of the Armed Forces or the National Guard shall be paid, for a period not to exceed two weeks in any calendar year, the difference between the amount paid by the Government (not including travel, subsistence and quarters allowance) and the amount calculated by the Company in accordance with the following formula. Such pay shall be based on the number of days

*Section 15 – Military Service*

such employee would have worked had he not been attending such encampment during such two weeks (plus any holiday in such two weeks which he would not have worked) and the pay for each such day shall be eight times his hourly equivalent salary rate but excluding shift differentials and Sunday and overtime premiums) during the last payroll period worked prior to the encampment. If the period of such encampment exceeds two weeks in any calendar year, the period on which such pay shall be based shall be the first two weeks he would have worked during such period.

**SECTION 16  
SEVERANCE ALLOWANCE**

**A. Termination of Operations**

When, in the sole judgement of the Company, it decides to discontinue permanently a plant or substantial portion thereof, the employees of such shall have the option of exercising their rights under Section 13 - SENIORITY of this Agreement or of terminating their employment and receiving the Severance Allowance as provided under this Section. If said employees shall exercise their rights under Section 13 - SENIORITY and other employees are laid off as a result of such action, these employees also shall have the option of remaining on the recall list or of terminating their employment and receiving the Severance Allowance as provided under this Section.

Before the Company shall finally decide to close permanently a plant or discontinue permanently a department of a plant, or substantial portion thereof, it shall give the Union, when practicable, advance written notification of its intention. Such notification shall be given at least 90 days prior to the proposed closure date. Along with it, the Company shall provide the Union with a detailed statement of the reasons for the proposed action and the information on which it is based. Without limiting the information to be provided under this paragraph, the Company shall furnish the Union, where available, and on a confidential basis, profit and loss statements for the operations that are the subject of the proposed action for the last 24 months of operations preceding it, any studies or evaluations assessing the feasibility of continuing the operations, and a detailed breakdown of the costs of maintaining the operations. Thereafter, the Company will meet with appropriate union representatives in order to provide them with an opportunity to discuss the Company's proposed course of action and to provide information to the Company and suggest alternative courses. Upon conclusion of such meetings, which in no event shall be less than 30 days prior to the proposed closure or partial closure date, the Company shall advise the Union of its final decision. The final closure decision shall be the exclusive function of the Company. This notification provision shall not be interpreted to offset the Company's right to lay off or in any other way reduce or increase the working force in accordance with its presently existing rights as set forth in Section 3 of this Agreement.

Section 16 – Severance Allowance (cont.)

B. Eligibility for Severance Allowance

An employee, to be eligible for Severance Allowance, must have accumulated 3 or more years of continuous service at time of termination of employment, computed in accordance with Section 13 - SENIORITY of this Agreement.

C. Severance Allowances

1. An eligible individual shall receive Severance Allowance based upon continuous service in accordance with the following schedule:

<u>Continuous Service</u>	<u>Weeks of Severance Allowance</u>
3 years but less than 5 years	4
5 years but less than 7 years	6
7 years but less than 10 years	7
10 years or more	8

2. A weeks Severance Allowance shall be determined in accordance with the provisions for calculation of vacation pay as set forth in Section 12 - VACATIONS.
3. Payment shall be made in a lump sum at the time of termination. Acceptance of severance allowance shall terminate employment and continuous service for all purposes under this agreement.

D. Deferred Severance Allowances

If an employee exercises his rights under Section 13 - SENIORITY, and as a result thereof, receives no Severance Allowance and such employee is immediately laid off after discontinuance of such plant or portion thereof and not recalled to work for a period of 4 years, such employee at the expiration of such 4 year period, shall be entitled to receive the amount of Severance Allowance, if any, to which he would have been entitled at the time of his layoff had he not exercised his seniority rights. Except as provided in this section, any employee exercising his rights under Section 13 - SENIORITY, shall not be entitled to any severance allowance for such severance.

E. Non-Duplication Provisions

Severance allowance shall not be duplicated for the same severance, whether the other obligation arises by reason of contract, law or otherwise. If an individual is or shall become entitled to any discharge, liquidation, severance or dismissal allowance or payment of similar kind by reason of any law of the United States of America or any of the states, districts or territories thereof subject to its jurisdiction, the total amount of such payments shall be deducted from the severance allowance to which the individual may be entitled under this section, or any payment made by the Company under this section may be offset against such payments. Statutory unemployment compensation payments shall be excluded from the non-duplication provisions of this paragraph.

F. Notification to Union

The company shall notify the authorized Union representatives as far in advance as possible of the application of this article as provided in Subsection A hereof.

G. Election Concerning Layoff Status

Notwithstanding any other provision of this Agreement, an employee who would have otherwise been terminated in accordance with the applicable provisions of this Agreement and under the circumstances specified in Section 16-A, thereupon may, at such time elect to be placed upon the layoff status for 30 days or to continue on layoff status for an additional 30 days if he had already been on layoff status. At the end of such 30-day period he may elect to continue on layoff status or to be terminated and receive severance allowance if he is eligible for any such allowance under the provisions of this Section 16; provided, however, if he elects to continue on layoff status after the 30-day period specified above, and is unable to secure employment with the Company within an additional 60-day period, at the conclusion of such additional 60-day period he may elect to be terminated and receive severance allowance if he is eligible for such allowance. Any Supplemental Unemployment Benefit payment received by him for any period after the beginning of such 30-day period shall be deducted from any such severance allowance to which he would have been otherwise eligible at the beginning of such 30-day period.

*Section 16 – Severance Allowance (cont.)*

If an employee elects to continue on layoff status, he shall continue to be in such status not withstanding the expiration or termination of this Agreement.

In the event of a strike, nothing in this Agreement shall be interpreted as extending the benefits beyond the term otherwise provided for in the Basic Labor Agreement.

**APPENDIX G  
CONTRACTING OUT AND PRODUCTIVITY**

Mr. Buddy W. Davis  
Co-Chairman - Negotiating Committee  
United Steelworkers of America

Dear Mr. Davis:

During 1989 negotiations the parties re-addressed the approach designed to enhance the viability of the Company and the Union through significant productivity increases in conjunction with employment security. However, there is a natural conflict between the commitment to reduce manpower through attrition and the contracting out concerns of the Union.

To clarify the position of National Steel Corporation, it is not the intention of the Company to reduce manpower by contracting out any additional work, even if this means that recalls or new hiring are necessary to fulfill this commitment. Further the Company has pledged a good faith effort to work with the Union to identify work now contracted out, which could be retrieved for United Steelworkers of America members. The Union, in turn, has pledged a good faith effort to work with the Company to do such work in the most efficient way possible.

The parties recognize that the Employment Security/Productivity Program and the contracting out concerns of the Union cannot effectively be separated. Recognizing that neither party has significant experience with these new concepts, they will address any future conflicts which may arise in a cooperative manner in an effort to accommodate the needs of both parties.

Within the Corporate JLMCC process, the Joint Leadership group will assign a union and management member of the Corporate JLMCC to develop, subject to the approval of the Joint Leadership group, a presentation for review with the Division Contracting Out Committee members at future Corporate JLMCC meetings, as appropriate. Such presenta-

*Appendix F – Attrition Inducements (cont.)*

5. Over the term of the 1993 Labor Agreement the total number of special severance allowance payments offered by the Company shall not exceed 100.
6. For employees voluntarily terminating under this attrition inducement program who are also eligible for immediate pension benefits, their pension and special pension payment will be calculated in accordance with the terms of the Pension Agreement for service up to the date of termination and will commence payment in accordance with the terms of the Pension Agreement. The amount of this special severance allowance will not be deducted from the Pension Benefit.
7. Any payments made under this attrition inducement program may not exceed the equivalent of twice the employee's annual compensation (including benefit costs) during the year immediately preceding the employee's termination of service.
8. All offers of special severance allowances to employees in order to induce the termination of their employment must be made in such a manner to ensure that the offered employees make fully informed and totally voluntary decisions concerning their employment status.
9. Within 90 days of the effective date of this agreement the Joint Leadership group will approve any additional guidelines necessary to the proper implementation and administration of this program.

**APPENDIX F  
ATTRITION INDUCEMENTS**

1. It is agreed that a special severance allowance will be provided to eligible employees. All eligible USWA represented O&T employees are eligible to be offered the special severance allowance in accordance with paragraph four below.
2. Payments under the program are not contingent, directly or indirectly, upon the employee's retirement. An employee who elects to receive a lump sum severance allowance payment may defer receipt of such payment until January of the following calendar year. Benefits under the program may be paid out to an eligible employee regardless of that employee's eligibility to retire and receive immediate pension benefits.
3. Special lump sum severance allowance payments will be made in accordance with the plant continuous service of the eligible employee offered such an inducement according to the following schedule:

<u>Completed Years Of Plant Continuous Service</u>	<u>Special Severance Allowance Payment</u>
20 or more	\$19,200
15-19	\$14,400
10-14	\$ 9,000
5-9	\$ 6,000
1-4	\$ 3,000

4. Beginning with the effective date of the Agreement, special severance allowance payments may be offered for mutual agreement position eliminations. Such special severance allowance shall be made available no earlier than six (6) months following the implementation of a mutual agreement position elimination. The total number of such special severance allowances offered during a calendar year shall not exceed one-half of the total number of mutual agreement position eliminations implemented in the prior year. Provided, however, that additional special severance allowances may be offered by agreement of the local parties. Any inducements not taken in one calendar year may be carried forward into the next calendar year.

*Appendix E – Safety and Health (cont.)*

longterm welfare of employees who may become exposed to substances which have not at this time been identified as having adverse effects on human health.

While the parties cannot reasonably anticipate which materials in the workplace may pose as yet unidentified health hazards, the Manager of Safety and Hygiene of National Steel Corporation and the Director of Health and Safety of the International Steelworkers Union or designee hereby pledge to maintain a periodic dialogue to consider emerging information concerning this subject and to evaluate practical measures to safeguard the health of the Company's employees. In addition, they shall develop an outline of a generic medical surveillance program capable of being adapted to various situations.

Very truly yours,  
Richard P. Coffee  
Vice President - Human Resources  
National Steel Corporation

Confirmed:  
Buddy W. Davis  
Chairman - Negotiating Committee  
United Steelworkers of America

**APPENDIX E  
SAFETY AND HEALTH**

Mr. Buddy W. Davis  
Chairman - Negotiating Committee  
United Steelworkers of America

Dear Mr. Davis:

The following represents our understandings regarding safety and health matters reached during 1989 Labor Negotiations:

1. During the first year of the 1989 Agreement, the Joint Safety Committee at each Division location will, in conjunction with the plant Engineering and Maintenance Departments, develop and implement a practical means for review of and input to plans for changes, improvements and additions to plant processes and equipment to identify potential safety and health problems or concerns.
2. The Joint Safety Committee at each Division shall be charged with monitoring potential health problems associated with video display terminals. If the Joint Safety Committee determines it to be appropriate it shall conduct a study of such potential problems and make recommendations concerning corrective actions to plant management. The Company will develop and implement such recommendations consistent with the hazards involved.
3. The Joint Safety Committee at each Division will republish to supervision at the plants the provision in the Labor Agreements concerning notice and information to the Union Co-Chairman of the Safety Committee in cases of accidents which result in disabling injury or death.
4. The Joint Safety Committee at each Division will reemphasize in writing the importance of safety training and review of hazards for employees transferred within the plant.
5. The Company and the Union during 1989 Agreement negotiations discussed their mutual concern for the

ignated by the Union.

It is the intention of the Company and the Union that the individual to be designated by the Union hereunder shall be a prominent member of the business, labor, or academic community who is capable in his or her role as a director of contributing broadly to the management and direction of the business and affairs of the Company.

The Union will consult the President of the International Chemical Workers Union with respect to the selection of the individual designated by the Union who shall be nominated on behalf of all represented employees at Company facilities.

It is further understood that such Individual shall satisfy reasonable and objective qualifications observed by the Nominating Committee of the Board of Directors of the Company in the selection of nominees for election as directors and will also have all of the duties and responsibilities generally applicable to a director of a corporation, under Delaware law or otherwise, including those relating to loyalty, conflicts of interest, and matters requiring confidentiality. Such individual shall not be, or become while serving as a director, a director, officer or employee of the Union or any of its locals or affiliated organizations. The preceding sentence shall not preclude the Union from designating persons who have been or are consultants or professional advisers to the Union.

Unless otherwise extended by the Company and the Union, this Agreement shall terminate on July 31, 1999.

**of Mortgage of the Company assets encumbered by the indenture of Mortgage, in any action involving such liquidation the Company agrees to use its best efforts to support the enforcement of an appropriate equitable remedy for the benefit of the VEBA, including, but not limited to, a marshalling of all of its assets.**

- E. The second mortgage on the current and future assets of National Steel Corporation's Great Lakes Division will serve as collateral for the benefit of the VEBA until such time as the assets in the Trust equal seventy-five percent (75%) of the SFAS 106 transition obligation for all Represented Employees, at which time it shall be released and satisfied, with no further obligation on the part of the Company to provide such mortgage.**

**III. Board of Directors**

This will confirm our agreement whereby an individual designated by the International President of the United Steelworkers of America (the "Union") will be elected to the Board of Directors of National Steel Corporation (the "Company") as set forth herein. The person designated shall be acceptable to the Company, and such acceptance shall not be unreasonably withheld. Such person shall be elected at the first regular meeting of said Board of Directors following (1) designation of such an Individual by the Union or (2) the expiration of the August 1, 1989 collective bargaining agreement, whichever occurs later, to serve until the next annual meeting of stockholders and until his or her successor is so designated, elected and qualified. Thereafter, during the term of this agreement, such an individual, so designated, will be nominated by the Board of Directors for election as a director at any meeting of the stockholders of the Company at which directors are elected. If any such individual is unwilling or unable or for any reason ceases to serve or be nominated for election as a director of the Company, the Board of Directors will promptly elect or nominate for election by the stockholders, as the case may be, another individual so des-

and between National Steel Corporation, a Delaware corporation having an address at 4100 Edison Lakes Parkway, Mishawaka, Indiana, (herein called "Mortgagor"), and Mellon Bank N.A., Trustee (herein called "Mortgage Trustee") for National Steel Corporation Represented Retirees Benefit Trust, an unincorporated voluntary employees' beneficiary association organized under the laws of Pennsylvania (herein called "Mortgage Trust.")

- B. In the event the Company issues additional First Mortgage Bonds under its current Indenture of Mortgage, it is agreed that (I) The amount of such additional First Mortgage Bonds shall not exceed ninety percent (90%) of the amount of Bonds the Company is eligible to issue at the time of issuance under the Indenture, and (II) the additional First Mortgage Bonds shall be secured by a First Mortgage on the Company's plant property in accordance with the terms of the Indenture and the VEBA mortgage on the current and future assets of National Steel Corporation's Great Lakes Division shall be subordinate thereto.**
- C. In exercising its rights as a mortgagee subordinate to the rights and obligations of the First Mortgage Bondholders, the VEBA, at one or more times as requested by the Company, will consent, waive and agree and will be deemed to have consented, to have waived and to have agreed, on the same basis and to the same extent that any form of consent, waiver or agreement is granted to the Company by the Indenture Trustee for the First Mortgage Bonds and will forbear from taking any action not taken by the Indenture Trustee.**
- D. In the event of a liquidation or foreclosure by the Indenture Trustee for the Indenture**

the International Chemical Workers Union Council of the United Food and Commercial Workers.

The VEBA assets will be managed by a trustee as selected and appointed by the VEBA Administrative Committee and as agreed to by the Company, such agreement to be not unreasonably withheld.

The cost of establishing and paying usual administrative expenses of maintaining the VEBA will be born by the VEBA Trust.

**4. Conditions Subsequent**

In the event:

A. The VEBA, once established, either (i) loses its tax exempt status or (ii) the tax treatment of the VEBA by the IRS under the tax code or other applicable law materially changes, then upon the occurrence of either such event, the Company and the Union will meet in good faith for the purpose of agreeing to an alternative distribution of the then remaining assets in the VEBA trust, with any dispute to be resolved by final and binding last offer arbitration under which the arbitrator shall be empowered to choose the offer which is most consistent with the purpose and intent of the VEBA established pursuant to this Agreement.

**5. Collateralization**

A. The Company will grant to the VEBA a Second Mortgage on all of the current and future assets of National Steel Corporation's Great Lakes Division which are subject to the First Mortgage Lien of the Company's Indenture of Mortgage and Deed of Trust dated May 1, 1952, as supplemented, as forth in the Second Mortgage document dated 23 July 1999, by

resented employees regardless of particular International Union representation (hereinafter "Represented Employees"), including but not limited to those individuals of the National Steel Pellet Company, but excluding those individuals covered under collectively bargained agreements with the UMWA or those employed by the Delray Connecting Railroad Corporation.

1. During the term of the 1999 Agreement, the Company will make no further contributions to the VEBA Trust previously established, provided that the value of the assets in the VEBA equals or exceeds One Hundred Million Dollars (\$100,000,000). In the event that the value of the assets in the VEBA decreases to less than One Hundred Million Dollars at any time, the Company shall be obligated to pay into the VEBA, in cash or Company stock, an amount sufficient to increase the value of the VEBA assets to One Hundred Million Dollars.

2. **VEBA Disbursement**

The VEBA Trust document will be amended in such a way as to provide the Company with the right to receive the VEBA assets in cash in order to pay up to Five and One-half Million Dollars (\$5,500,00) in each calendar year for current retiree medical and life insurance benefits as long as the value of the assets in the VEBA Trust exceed the aggregate amount of One Hundred Million Dollars (\$100,000,000.00).

3. **Administration**

The VEBA will be administered in accordance with all rules and regulations established by the IRS, and, to the extent applicable, in accordance with any present or future laws, rules or regulations. An Administrative Committee will be established with equal representation by Company and Union represented personnel, including, as appropriate, individuals who are not members of the USWA, but who collectively bargain for Represented Employees, such as

than 50 percent of the voting stock is owned, directly or indirectly, by the Company; and the term "affiliate" means any business entity, other than a subsidiary, directly or indirectly controlling or controlled by or under direct or indirect common control with the Company. For the purposes of this definition, "control" when used with respect to any business entity, means the power to direct the management and policies of such business entity directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

The foregoing provisions shall not apply (i) with respect to transactions which are entered into in the ordinary course of business consistent with past practice, or (ii) with respect to any transaction which is reasonably designed to benefit basic steel or steel related operations.

**D. Parties to the Agreement**

The parties to this Agreement shall be the United Steelworkers of America, AFL-CIO-CLC ("Union") and National Steel Corporation ("Company"). If operations of any plant or facility covered by this Agreement are transferred to a subsidiary or affiliate of the Company (as defined in Section C above), such subsidiary or affiliate shall be included in the term "Company" for purposes of this Agreement.

**II. Legacy Costs**

**During the negotiations, the Union expressed concern over future payments by the Company of post-employment health care and life insurance benefits for retirees notwithstanding the Company's history of consistently providing such benefits. The Company and Union agreed to continue a dedicated trust in the form of a Voluntary Employee Benefit Association.**

**The Company has previously made application to the Internal Revenue Service to establish a Voluntary Employee Beneficiary Association tax exempt trust ("VEBA") under the appropriate regulations to fund collectively bargained retiree health care and life insurance benefits for all Company rep-**

*Appendix D – Corporate Issues (cont.)*

and other relevant legal and financial considerations. Nothing contained herein shall require the Company to accept any offer by any entity, including the USWA, for the purchase of the Assets.

2. The rights granted the USWA under this agreement may not be transferred or assigned by the USWA except that its rights may be assigned to and exercised by an acquisition entity established by or for the benefit of the appropriate USWA-represented employees; and, further provided, that said employees shall own directly or indirectly through an employee stock ownership (or similar) plan, not less than thirty-three (33%) percent of the voting equity interests in such acquisition entity.
3. This agreement shall not be deemed to cover any sales or issuance of debt securities, convertible securities, preferred stock or warrants by the Company.
4. Nothing herein shall be deemed to release, relieve or otherwise affect any of the rights and obligations of the parties pursuant to section A on Successorship set forth in this Appendix.
5. This agreement shall remain in effect for the term of the Agreement between the USWA and the Company, dated August 1, 1993 ("the collective Bargaining Agreement") and shall expire at the termination date of said Collective Bargaining Agreement.

**C. Intercorporate Transactions**

National Steel Corporation ("Company") agrees that during the term of the 1999 Labor Agreement it will not, directly or indirectly, conduct any business or enter into any transaction or series of transactions with or for the benefit of its parents, subsidiaries or affiliates, except in good faith and on terms that are no less favorable to the Company than those that could have been obtained in a comparable transaction on an arm's length basis from a person not a parent, subsidiary or affiliate of the Company.

For purposes of this agreement, the term "parent" refers to any business entity controlling the company; the term "subsidiary" refers to any corporation in which more

tomarily provided to prospective purchasers for such Assets.

- c. During the first thirty (30) days from the date the Company notifies the USWA pursuant to paragraph 1.a above the Company will not entertain or enter into a contract for sale of the Assets. The USWA shall be entitled to submit a written offer to purchase the Assets at any time during such thirty (30) day period.
- d. During the next sixty (60) day period, the Company will be free to entertain offers from other entities for the Assets, and the USWA will also be entitled to submit an offer during such period, but the Company will not enter into a contract for sale of the Assets to any entity other than the USWA during such sixty (60) day period.
- e. In the event the thirty (30) and sixty (60) day periods referred to in paragraphs 1.c and 1.d, respectively, have elapsed, the Company shall be entitled, subject to this paragraph 1.e and paragraph 1.f, to enter into an agreement to sell such Assets to any purchaser, including the USWA, provided that such a transaction must close within one year after the end of such periods. If the Assets have not been sold during such one year period, the Company must comply again with the provisions of this agreement before selling such Assets.
- f. In the event that the USWA submits an offer pursuant to paragraphs 1.c or 1.d above, the Company shall be under no obligation to accept such offer or to negotiate with the USWA concerning such offer. However, the Company shall be entitled to enter into a binding purchase agreement with regard to the Assets with an entity other than the USWA provided that the transaction contemplated by such purchase agreement is in the reasonable judgement of the Company's Board of Directors more favorable to the Company than the USWA offer, taking into account the purchase price, form of consideration, structure, timing, risk of non-consummation, impact on the business of the Company, other obligations of the Company

shutdown for more than ninety (90) days prior to its sale, conveyance, assignment or transfer, the provisions of sub-paragraph 1b shall not apply unless the Union establishes that the conditions of employment insisted upon by the Union in its final position with the Buyer are not unreasonable taking into account all of the circumstances. In the case of a plant that has been permanently shut down for more than one year prior to the sale, conveyance, assignment or transfer, the provisions of paragraph 1 shall not apply.

B. Right of First Offer on Sale of Stock or Facilities

- 1a. Should (1) the Company through a single transaction or series of transactions decide to sell or otherwise transfer ownership or control of shares of stock representing voting control of the Company ("Common Stock") or should the Company decide to sell or otherwise transfer all or a significant portion of the Great Lakes, Granite City or Midwest divisions (the "Facilities" or Individually, a "Facility"), it will consider the USWA and its members as the first potential buyer therefor. The Company will advise the USWA in writing of its intent to sell such Common Stock or a Facility (collectively, the "Assets"). The tendering to the Company of an unsolicited offer to purchase Common Stock or the Facilities shall only be considered a decision to sell or otherwise transfer ownership of such Assets if the Company commences negotiations with such offerer or its representatives. In no case, however, shall the Company enter into any agreement or understanding to sell the Assets without first complying with the provisions of this letter.
- b. Subject to the USWA and the Company entering into a Confidentiality Agreement substantially in accordance with the provisions of Exhibit A attached hereto and incorporated herewith (to be mutually agreed upon), the Company will provide the USWA with information and access to Company personnel and facilities needed to determine whether it wishes to make an offer. Such information and access shall be of the type cus-

**APPENDIX D  
CORPORATE ISSUES**

**A. Successorship**

1. Except as provided in Section 2 below, the Company agrees that it will not sell, convey, assign or otherwise transfer any plant or significant part thereof covered by a Labor Agreement between the Company and the United Steelworkers of America to any other party (Buyer) who intends to operate the plant or significant part thereof in the same business the Company operated it, unless the following conditions have been satisfied prior to the closing date of the sale:
  - a. The Buyer shall have entered into an Agreement with the Union recognizing it as the bargaining representative for the employees within the existing bargaining unit or units affected.
  - b. The Buyer shall have entered into an Agreement with the Union establishing the terms and conditions of employment to be effective as of the closing date.
  - c. If requested by the Company, the Union will enter into negotiations with the Company on the subject of releasing and discharging the Company from any obligations, responsibilities and liabilities to the Union and the employees, except as the parties otherwise mutually agree.

This provision is not intended to apply to any transaction solely between the Company and any one of its subsidiaries or affiliates, or its parent company including any of its subsidiaries or affiliates; nor is it intended to apply to transactions involving the sale of stock, except that the provision shall apply to a transaction or a series of transactions that result in a change of control.

2. In the case of a plant that has been permanently

*Appendix C – Miscellaneous Matters*

6. No employee shall be required by the Company to submit to a lie detector test.
  
7. The parties have agreed to renew their commitment to an Orientation Program for New Employees. Under this Program, the Divisions will continue to provide their current Orientation Programs, with appropriate revisions as necessary, and with Union Representative participation. **In addition, and separate and apart from the above, within ten (10) days of the completion of their probationary period, the Company shall provide each employee with four (4) hours of paid time off (at their regular rate of pay) to attend an orientation session conducted by the Union at a location designated by the Union.**

**APPENDIX C  
MISCELLANEOUS MATTERS**

1. Prior interpretations concerning so-called portal-to-portal claims are adopted for the term of the new basic labor agreement.
2. The proposals made by each party with respect to changes in the basic labor agreements and the discussion had with respect there to shall not be used, or referred to, in any way during or in connection with the arbitration of any grievance arising under the provisions of the basic labor agreements.
3. Any understanding contained in a letter agreed to in connection with prior contracts, concerning the readoption of provisions relating to local working conditions, shall continue in effect.
4. The Company (together with certain other Companies) and the Union have reached the following understandings with respect to the following subjects:
  - a. Training

In order to serve the basic educational and training needs of employees and unemployed persons and thereby enhance their qualifications for job opportunities and advancement, the Companies and the Union have been jointly involved in Federal, State and locally funded training programs. It is agreed that these efforts have been sufficiently beneficial to warrant continued exploration of these types of programs for further development under other applicable laws and through other mutually agreed-upon means.

This Paragraph 4 is not intended to enlarge or diminish the existing contractual rights of the parties in relation to these subject matters. The parties may, during the life of this Agreement, take such action as they deem appropriate in light of the findings resulting from implementation of this Paragraph 4.

5. During the term of this Agreement, employees whose wages have been garnished will not be disciplined because of such garnishments.

*Appendix B – Job Description and Classification (cont.)*

of labor agreement negotiations, and report jointly on a quarterly basis to the USWA Chairman - Negotiating Committee and the Vice President - Human Resources during the term of the November 1, 1989, Labor Agreement.

R.P. Coffee

Vice President - Human Resources  
National Steel Corporation

Confirmed: B.W. Davis

Chairman - Negotiating Committee  
United Steelworkers of America

**APPENDIX B  
JOB DESCRIPTION AND CLASSIFICATION**

Mr. Buddy W. Davis  
Chairman - Negotiating Committee  
United Steelworkers of America

Dear Mr. Davis:

This letter will confirm our understanding that the Manual for Job Classification of Clerical and Technical Jobs and Selected Benchmark Reference Volume I and 11, as revised (hereafter referred to as the "Manual") shall continue to be utilized as the basis to describe and classify all new or changed bargaining unit jobs within National Steel Corporation. Each division shall continue to apply the principles of the Manual as changing conditions, new technologies and new facilities result in the need to develop job descriptions and classifications which incorporate additional functions and responsibilities to improve productivity and to enhance assignment flexibility.

Further, a Committee shall be appointed to review job classifications from each division of National Steel for possible incorporation into the Manual as Master Job Descriptions to accommodate changing conditions, new technologies, and new facilities within the Corporation. This committee shall also conduct a review of the seven basic factors of the Manual to develop recommendations for mutually beneficial adjustment. Factor adjustments shall be limited in application to only those jobs to be created or modified prospectively. Implementation of changes/additions to MJC's language or procedures require prior review and approval of the USW Chairman - Negotiating Committee and the Vice President - Human Resources.

The above-referenced Committee shall be appointed as soon as practicable after the conclusion of labor agreement negotiations and shall consist of one management representative and one Local Union representative from each division, one representative from Steelworker International Headquarters, as designated by the USW Chairman - Negotiating Committee, and one representative from Corporate Human Resources. The Committee shall meet and formulate objectives and guidelines relevant to the tasks outlined above within 90 days after the successful conclusion

*Appendix A – Wages (cont.)*

G	Monthly	\$3,598.92
	Semi-Monthly	\$1,799.46
	Bi-weekly	\$1,661.04
	Hourly	\$20.763
H	Monthly	\$3,741.05
	Semi-Monthly	\$1,870.53
	Bi-weekly	\$1,726.64
	Hourly	\$21.583

\* increase effective the pay period beginning closest to the EFFECTIVE date.

Appendix A – Wages (cont.)

The standard monthly and equivalent semi-monthly, bi-weekly & hourly scales of rates for the respective job grades shall be as follows:

Monthly and Equivalent Semi-Monthly,  
Bi-weekly & Hourly Rates  
(Effective: February 1, 2003)\*

<u>SALARY</u> <u>GRADE</u>		<u>STANDARD</u> <u>RATE</u>
A	Monthly	\$2,746.12
	Semi-Monthly	\$1,373.06
	Bi-weekly	\$1,267.44
	Hourly	\$15.843
B	Monthly	\$2,888.25
	Semi-Monthly	\$1,444.13
	Bi-weekly	\$1,333.04
	Hourly	\$16.663
C	Monthly	\$3,030.39
	Semi-Monthly	\$1,515.20
	Bi-weekly	\$1,398.64
	Hourly	\$17.483
D	Monthly	\$3,172.52
	Semi-Monthly	\$1,586.26
	Bi-weekly	\$1,464.24
	Hourly	\$18.303
E	Monthly	\$3,314.65
	Semi-Monthly	\$1,657.33
	Bi-weekly	\$1,529.84
	Hourly	\$19.123
F	Monthly	\$3,456.79
	Semi-Monthly	\$1,728.40
	Bi-weekly	\$1,595.44
	Hourly	\$19.943

*Appendix A – Wages (cont.)*

G	Monthly	\$3,440.16
	Semi-Monthly	\$1,720.08
	Bi-weekly	\$1,587.76
	Hourly	\$19.847
H	Monthly	\$3,582.28
	Semi-Monthly	\$1,791.14
	Bi-weekly	\$1,653.36
	Hourly	\$20.667

\* increase effective the pay period beginning closest to the EFFECTIVE date.

The standard monthly and equivalent semi-monthly, bi-weekly & hourly scales of rates for the respective job grades shall be as follows:

Monthly and Equivalent Semi-Monthly,  
Bi-weekly & Hourly Rates  
(Effective: August 1, 2001)\*

<u>SALARY</u> <u>GRADE</u>		<u>STANDARD</u> <u>RATE</u>
A	Monthly	\$2,572.79
	Semi-Monthly	\$1,286.40
	Bi-weekly	\$1,187.44
	Hourly	\$14.843
B	Monthly	\$2,714.92
	Semi-Monthly	\$1,357.46
	Bi-weekly	\$1,253.04
	Hourly	\$15.663
C	Monthly	\$2,857.05
	Semi-Monthly	\$1,428.53
	Bi-weekly	\$1,318.64
	Hourly	\$16.483
D	Monthly	\$2,999.19
	Semi-Monthly	\$1,499.60
	Bi-weekly	\$1,384.24
	Hourly	\$17.303
E	Monthly	\$3,141.32
	Semi-Monthly	\$1,570.66
	Bi-weekly	\$1,449.84
	Hourly	\$18.123
F	Monthly	\$3,283.45
	Semi-Monthly	\$1,641.73
	Bi-weekly	\$1,515.44
	Hourly	\$18.943

*Appendix A – Wages (cont.)*

G	Monthly	\$3,370.81
	Semi-Monthly	\$1,685.41
	Bi-weekly	\$1,555.76
	Hourly	\$19.447
H	Monthly	\$3,512.95
	Semi-Monthly	\$1,756.48
	Bi-weekly	\$1,621.36
	Hourly	\$20.267

\* increase effective the pay period beginning closest to the EFFECTIVE date.

**APPENDIX A  
WAGES**

The standard monthly and equivalent semi-monthly, bi-weekly & hourly scales of rates for the respective job grades shall be as follows:

**Monthly and Equivalent Semi-Monthly,  
Bi-weekly & Hourly Rates  
(Effective: February 1, 2000)\***

<u>SALARY GRADE</u>		<u>STANDARD RATE</u>
A	Monthly	\$2,486.12
	Semi-Monthly	\$1,243.06
	Bi-weekly	\$1,147.44
	Hourly	\$14.343
B	Monthly	\$2,628.25
	Semi-Monthly	\$1,314.13
	Bi-weekly	\$1,213.04
	Hourly	\$15.163
C	Monthly	\$2,770.39
	Semi-Monthly	\$1,385.20
	Bi-weekly	\$1,278.64
	Hourly	\$15.983
D	Monthly	\$2,912.52
	Semi-Monthly	\$1,456.26
	Bi-weekly	\$1,344.24
	Hourly	\$16.803
E	Monthly	\$3,054.65
	Semi-Monthly	\$1,527.33
	Bi-weekly	\$1,409.84
	Hourly	\$17.623
F	Monthly	\$3,196.79
	Semi-Monthly	\$1,598.40
	Bi-weekly	\$1,475.44
	Hourly	\$18.443

*Section 20 – Termination Date (cont.)*

UNITED  
STEELWORKERS  
OF AMERICA

/s/ G. Becker  
/s/ H.E. Lester  
/s/ F. Cavaretta

NATIONAL  
STEEL  
CORPORATION

/s/ L.L. Judd  
/s/ T.J. Zahren  
/st T. Freeman  
/st J. Wright  
/st M.R. Seaman

**SECTION 20  
TERMINATION DATE**

Except as otherwise provided below, this Agreement shall terminate at the expiration of 60 days after either party shall give written notice of termination to the other party but in any event shall not terminate earlier than August 1, 2004.

If either party gives such notice it may include therein notice of its desire to negotiate with respect to Insurance, Pensions, and Supplemental Unemployment Benefits (existing provisions or agreements as to Insurance, Pensions, and Supplemental Unemployment Benefits to the contrary notwithstanding), and the parties shall meet within 30 days thereafter to negotiate with respect to such matters. If the parties shall not agree with respect to such matters by the end of 60 days after the giving of such notice, either party may thereafter resort to strike or lockout as the case may be in support of its position in respect to such matters as well as any other matter in dispute (the existing agreements or provisions with respect to Insurance, Pensions, and Supplemental Unemployment Benefits to the contrary notwithstanding).

Notwithstanding any other provisions of this Agreement, or the termination of any or all other portions hereof, the Supplemental Unemployment Benefits Plan shall remain in effect until expiration of 120 days after written notice of termination served by either party on the other party on or after September 3, 2004.

Any notice to be given under this Agreement shall be given by registered mail; be completed by and at the time of mailing; and, if by the Company, be addressed to the United Steelworkers of America, Five Gateway Center, Pennsylvania, 15222, and if by the Union, to the Company at National Steel Corporation, 4100 Edison Lakes Parkway, Mishawaka, Indiana, 46545. Either party may, by like written notice, change the address to which registered mail notice to it shall be given.

**SECTION 19  
PRIOR AGREEMENTS**

The terms and conditions established by this Agreement replace those established by the Agreement dated **August 1, 1993**, effective as of August 1, 1999, except as otherwise specified in this Agreement.

Any complaint or grievance which as of the date of this Agreement has been presented in writing and is in the process of adjustment under the complaint and grievance procedure of the Agreement dated **August 1, 1993**, may be continued to be processed under the grievance and arbitration procedures of this Agreement and settled in accordance with the applicable provisions of the prior Agreement, for the period prior to the date of this Agreement and for any period thereafter in accordance with applicable provisions of this Agreement.

Any complaint or grievance filed on or after the date of this Agreement which is based on the occurrence or nonoccurrence of an event which arose prior to the date of this Agreement must be a proper subject for a complaint or grievance under this Agreement and processed in accordance with the grievance and arbitration procedures of this Agreement. Such complaint or grievance shall be settled in accordance with the applicable provisions of the Agreement dated **August 1, 1993**, for the period prior to the date of this Agreement, and for any period thereafter in accordance with the applicable provisions of this Agreement.

*Section 18 – Sub and Insurance Grievances (cont.)*

agree with the accuracy of the minutes as prepared by the Company, he shall set forth and sign his reasons for such disagreement and the minutes, except for such disagreement, shall be regarded as agreed to. If an appeal from the action taken with regard to the grievance in accordance with the foregoing procedure is not made in the manner set forth below, the grievance shall be deemed to have been settled in accordance with such action and no appeal therefrom shall thereafter be taken.

- C. If the procedure described in paragraphs A and B above has been followed with respect to a grievance and it has not been settled, it may be appealed by the District Director, or his representative, to arbitration by written notice served simultaneously on the Arbitrator and the certified representative of the Company described in paragraph B above within 20 days after the date of delivery of minutes to the representative of the Union.
- D. The decision of the Arbitrator on any grievance which has properly been referred to him shall be final and binding upon the Company, the Union and all employees involved in the grievance.
- E. Should such a difference arise with respect to Section 17 as to which resolution by processing of a SUB grievance is not appropriate, the applicable portions of the SUB grievance provisions shall govern the procedure to be followed.

*Section 18 – Sub and Insurance Grievances (cont.)*

between the Union and the Company shall be prepared and signed by the local representative of the Company within 10 days after the discussion is held and shall be signed by the representative of the local Union. If the representative of the local Union shall disagree with the accuracy of the minutes as prepared by the Company, he shall set forth and sign his reasons for such disagreement and the minutes, except for such disagreement, shall be regarded as agreed to. Unless the grievance is appealed as set forth below within 10 days after the date of the delivery of the minutes to the representative of the local Union, it shall be deemed to have been settled and no appeal therefrom shall thereafter be taken. Notwithstanding the first sentence of this paragraph, (a) a grievance relating to Short Week Benefits under the SUB must be presented within 30 days after the date of the Short Week Benefit draft if the dispute relates to the amount of the benefit or within 60 days from the end of the week in question if the dispute relates to eligibility for the benefit and (b) a grievance relating to the Insurance Agreement (including PIB) must be presented within 30 days after the earliest date on which the grievant knew or reasonably should have known of the action on which it is based.

- B. In order for a grievance to be considered further, written notice of appeal shall be served, within 10 days after receipt of the minutes described above, by the representative of the District Director of the Union, certified to the Company in writing, upon the representative of the Company, similarly certified to the Union by the Company. Such notice shall state the subject matter of the grievance, the identifying number and objections taken to the previous disposition.

A grievance which has been so appealed shall be discussed within 30 days of such notice by such representatives, in an effort to dispose of the grievance. Minutes of the discussion, which shall include a statement of the disposition of the grievance by the representative of the Company, his reasons therefor and the date thereof, shall be prepared and signed by him and delivered to the representative of the Union within 10 days after the discussion is held. The representative of the Union shall sign such minutes and shall deliver a copy to the representative of the Company and in the event he shall dis-

**SECTION 18  
SUB AND INSURANCE  
GRIEVANCES**

The following procedure shall apply only to disputes concerning the Supplemental Unemployment Benefit (SUB) and the Insurance Agreement (including the Program of Insurance Benefits [PIB]), but it shall not apply to a claim for life insurance.

If any difference shall arise between the Company and any employee as to the benefits payable to him

- (a) pursuant to the SUB, or
- (b) pursuant to the Insurance Agreement (including PIB) because his claim was denied in whole or in part,

or between the Company and the Union as to the interpretation or application of or compliance with the provisions of the SUB, and such difference is not resolved by discussion with a representative of the Company at the location where it arises, it shall, if presented in writing under the following provisions, become a SUB Grievance or an Insurance Grievance (in either case hereinafter referred to as grievance) and it shall be disposed of in the manner described below:

- A. A grievance must, in order to be considered, be presented in writing within 30 days after the action giving rise to such difference on a form to be furnished by the Company which shall be dated and signed by the employee involved and the representative designated by the local Union to handle such grievances and presented to a local representative of the Company designated to receive and handle such grievances. The grievance shall be discussed by such representatives within 10 days after it has been presented to the representative of the Company. The representative of the Company shall note in the appropriate place on the form his disposition of the grievance, his reasons therefor and the date thereof and shall return two copies of the form to the local representative of the Union within 10 days after the date on which it was last discussed by them unless he and the local representative of the Union agree otherwise. Minutes of any discussion

**SECTION 17  
SUPPLEMENTAL UNEMPLOYMENT  
BENEFIT PLAN**

**A. Description of Plan**

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

**B. Coverage**

1. The Plan shall, for the period specified in the termination provisions of this Agreement, be applicable to the employees, together with other employees represented by the Union.
2. The Plan, without change, may be applicable to such other groups of employees of the Company who are entitled to overtime compensation on the basis of law, contract or custom as where covered on **July 31, 1999**, by the Prior Plan (the Supplemental Unemployment Benefit Plan in effect prior to **August 1, 1999**) and to any other such group, and under such conditions, as the Company and the Union may agree. Any modification of the Plan necessitated by the requirements of federal or state law shall also apply to such other groups to which it is applicable.

**C. Reports to the Union**

The Company will provide the Union with information on the forms agreed to by the parties and at the times indicated thereon, and such additional information as will reasonably be required for the purpose of enabling the Union to be properly informed concerning operations of the Plan.

*Appendix G – Contracting Out and Productivity (cont.)*

tion would include a review of the parties responsibilities and how the Committee members can more effectively work together, in a problem solving mode, to address issues related to the day to day administration of contracting out.

R.P. Coffee  
Vice President - Human Resources  
National Steel Corporation

Confirmed:  
B.W. Davis  
Chairman - Negotiating Committee  
United Steelworkers of America

## **APPENDIX H NEUTRALITY**

### **A. INTRODUCTION**

Over the years National Steel Corporation and the United Steelworkers of America ("the USWA or the Union") have developed a constructive and harmonious relationship built on trust, integrity and mutual respect. The parties place high value on the continuation and improvement of that relationship.

### **B. NEUTRALITY**

To underscore the Company's commitment in this matter, it agrees to adopt a position of neutrality in the event that the union seeks to represent any non-represented employees of the Company.

Neutrality means that, except as explicitly provided herein, the Company will not in any way, directly or indirectly, involve itself in efforts by the Union to represent the Company's employees, or efforts by its employees to investigate or pursue unionization.

The Company's commitments to remain neutral as outlined above shall cease if the Company demonstrates to the arbitrator under Section G herein that during the course of an Organizing Campaign (as defined in C below), the Union is intentionally or repeatedly (after having the matter called to the Union's attention) materially misrepresenting to the employees the facts surrounding their employment or is conducting a campaign demeaning the integrity or character of the Company or its representatives.

### **C. ORGANIZING PROCEDURE**

Prior to the Union distributing authorization cards to non-represented employees at a Covered Workplace (meaning any workplace which is: (i) controlled by the Company, as the Company is defined in Section E herein; and (ii) employs or intends to employ employees who are eligible to be represented by a labor organization in any unit(s) appropriate for bar

gaining), the Union shall provide the company with written notification (the "Written Notification") that an organizing campaign (the Organizing Campaign" will open. The Written Notification will include a description of the proposed bargaining unit.

The Organizing Campaign shall begin immediately upon provision of Written Notification and continue until the earliest of (i) the Union gaining recognition under C-5 and C-6 below; (ii) written notification by the Union that it wishes to discontinue the Organizing Campaign; or (iii) 90 days from provision of Written Notification to the Company.

There shall be no more than one Organizing Campaign in any 12-month period.

Upon Written Notification the following shall occur:

**1. Notice Posting**

The Company shall post a notice on all bulletin boards at all Covered Workplaces where employees eligible to be represented within the proposed bargaining unit work and where notices are customarily posted. This notice shall read as follows:

**NOTICE TO EMPLOYEES**

We have been formally advised that the United Steelworkers of America is conducting an organizing campaign among certain of our employees. This is to advise you that:

- 1. The Company does not oppose collective bargaining or the unionization of our employees.**
- 2. The choice of whether or not to be represented by a union is yours alone to make.**
- 3. We will not interfere in any way with your exercise of that choice.**
- 4. The Union will conduct its organizing effort over the next 90-days.**

5. In their conduct of the organizing effort, the Union and its representatives are prohibited from misrepresenting the facts surrounding your employment. Nor may they demean the integrity or character of the Company or its representatives.
6. If the Union secures a simple majority of authorization cards, subject to verification, of the employees in [insert description of bargaining unit provided by the Union] the Company shall recognize the Union as the exclusive representative of such employees, without a secret ballot election conducted by the National Labor Relations Board.
7. The authorization cards must unambiguously state that the signing employees desire to designate the Union as their exclusive representative.
8. Employee signatures on the authorization cards will be verified by a third party neutral chosen by the Company and the Union.”

The amended version of this notice as described above will be posted as soon as the Unit Determination procedure in C-3 below is completed.

In addition, following receipt of Written Notification, the Company may issue one written communication to its employees concerning the Campaign. Such communication shall be restricted to the issues covered in the Notice referred to in C-1 above or raised by other terms of this Neutrality Appendix.

The communication shall be fair and factual, shall not demean the Union as an organization nor its representatives as individuals and no reference shall be made to any occurrence, fact or event relating to the Union or its representatives that reflects adversely upon the Union, its representatives or unionization.

The communication shall be provided to the Union at least two business days prior to its intended distribution. If the Union believes that the communica-

tion violates the strictures of this provision it shall so notify the Company. Thereupon the parties shall immediately bring the matter to arbitration and the arbitrator shall issue a bench decision resolving any dispute.

## **2. Employee Lists**

Within five days following Written Notification, the Company shall provide the Union with a complete list of all its employees in the proposed bargaining unit who are eligible for union representation. Such list shall include each employee's full name, home address, job title and work location. Upon the completion of the Unit Determination procedure as described in C-3 below, an amended list will be provided if the proposed unit is changed as a result of such Unit Determination procedure. Thereafter during the Organizing Campaign, the Company will provide the Union with updated lists monthly.

## **3. Determination of Appropriate Unit**

As soon as practicable following Written Notification, the parties will meet to attempt to reach an agreement on the unit appropriate for bargaining. In the event that the parties are unable to agree on an appropriate unit, either party may refer the matter to the Dispute Resolution Procedure contained in Section G below. In resolving any dispute over the scope of the unit, the arbitrator shall apply the principles used by the NLRB.

## **4. Access to Company Facilities**

During the Organizing Campaign the Company, upon written request, shall grant reasonable access to its facilities to the Union for the purpose of distributing literature and meeting with unrepresented Company employees. Distribution of Union literature shall not compromise safety or production, disrupt ingress or egress, or disrupt the normal business of the facility. Distribution of Union literature inside Company facilities and meetings with unrepresented Company employees inside Company facilities shall be limited to non-work areas during

non-work time.

**5. Card Check**

If, at any time during an Organizing Campaign which follows the existence at a Covered Workplace of a substantial and representative complement of employees in any unit appropriate for collective bargaining, the Union demands recognition, the parties will request that a mutually acceptable neutral (or the American Arbitration Association if no agreement on a mutually acceptable neutral can be reached) conduct a card check within five days of the making of the request. The neutral shall compare the authorization cards submitted by the Union against original handwriting exemplars of the entire bargaining unit furnished by the Company and shall determine if a simple majority of eligible employees has signed cards. The list of eligible employees shall be jointly prepared by the Union and the Company.

**6. Union Recognition**

If at any time during and Organizing Campaign, the Union secures a simple majority of authorization cards of the employees in an appropriate bargaining unit, the Company shall recognize the Union as the exclusive representative of such employees without a secret ballot election conducted by the National Labor Relations Board. The authorization cards must unambiguously state that the signing employees desire to designate the Union as their exclusive representative for collective bargaining purposes. Each card must be signed and dated during the Organizing Campaign.

**D. HIRING**

1. The Company shall, at any Covered Workplace which it builds or acquires after [the effective date of this Neutrality Appendix], give preference in hiring to qualified employees of the Company then accruing continuous service in bargaining units covered by a Basic Labor Agreement. In choosing between qualified applicants from such bargaining units, the

**Company shall apply standards established by Article Thirteen of the Basic Labor Agreement.**

**This Section D-1 shall only apply where the employer for the purposes of collective bargaining is or will be the Company, a Parent or an Affiliate (and not a Venture) provided, however, that in a case where a Venture will likely have an adverse impact on employment opportunities for then current bargaining unit employees covered by this Basic Labor Agreement, then this Section D-1 shall apply to such Venture as well.**

- 2. Before implementing this provision the Company and the Union will decide how this preference will be applied.**
- 3. In determining whether to hire any applicant at a Covered Workplace (whether or not such applicant is an employee covered by a Basic Labor Agreement), the Company shall refrain from using any selection procedure, which, directly or indirectly, evaluates applicants based on their attitudes or behavior toward unions or collective bargaining.**

#### **E. DEFINITIONS AND SCOPE OF THIS AGREEMENT**

- 1. Rules with Respect to Affiliates, Parents and Ventures.**

**For purposes of this appendix only, the Company includes (in addition to the Company) any entity which is:**

- (i) engaged in (a) the mining, refining, production, processing transportation, distribution or warehousing of raw materials used in the making of steel; or (b) the making, finishing, processing, fabricating, transportation, distribution or warehousing of steel; and**
- (ii) either a Parent, Affiliate or a Venture of the Company.**

**For purposes of this appendix, a Parent is any entity which directly or indirectly owns or controls more**

than 50% of the voting power or (b) has the power based on contracts or constituent documents to direct the management and policies of the entity; and a Venture is an entity in which the Company owns a material interest.

**2. Rules with Respect to Existing Parents, Affiliates and Ventures**

The Company agrees to cause all of its existing Parents, Affiliates and/or Ventures that are covered by the provisions of Section E-1 above, to become a party/parties to this appendix and to achieve compliance with its provisions

**3. Rules with Respect to New Parents, Affiliates and Ventures**

The Company agrees that it will not consummate a transaction, the result of which would result in the Company having or creating: (i) a Parent (ii) an Affiliate or (iii) a Venture, without ensuring that the New Parent, New Affiliate and/or New Venture, if covered by the provisions of Section E-1 above, agrees to and becomes bound by this appendix.

**F. BARGAINING IN NEWLY-ORGANIZED UNITS**

Where the Union is recognized pursuant to the above procedures, the first collective bargaining agreement applicable to the new bargaining unit will be determined as follows:

- 1. The employer and the Union shall meet within 14 days following recognition to begin negotiations for a first collective bargaining agreement covering the new unit bearing in mind the wages, benefits, and working conditions in the most comparable operations of the Company (if any comparable operations exist), and those of unionized competitors to the facility in which the newly recognized unit is located.**
- 2. If after 90 days following the commencement of negotiations the parties are unable to reach agreement for such a collective bargaining agreement, they shall submit those matters that remain in dis-**

- pute to the Chairman of the Union Negotiating Committee and the Company's Vice President-Human Resources who shall use their best efforts to assist the parties in reaching a collective bargaining agreement.
3. If after 90 days following such submission of outstanding matters, the parties remain unable to reach a collective bargaining agreement, the matter may be submitted to final offer interest arbitration in accordance with procedures to be developed by the parties.
  4. If interest arbitration is invoked, it shall be a final offer package interest arbitration proceeding. The interest arbitrator shall have no authority to add to, detract from, or modify the final offers submitted by the parties, and the arbitrator shall not be authorized to engage in mediation of the dispute. The arbitrator's decision shall select one or the other of the final offer packages submitted by the parties on the unresolved issues presented to him in arbitration. The interest arbitrator shall select the final offer package found to be the more reasonable when considering (a) the negotiating guideline described in F-1 above, (b) any other matters agreed to by the parties and therefore not submitted to interest arbitration, and (c) the fact that the collective bargaining agreement will be a first contract between the parties. The decision shall be in writing and shall be rendered within thirty (30) days after the close of the interest arbitration hearing record.
  5. Throughout the proceedings described above concerning the negotiation of a first collective bargaining agreement and any interest arbitration that may be engaged in relative thereto, the Union agrees that there shall be no strikes, slowdowns, sympathy sties, work stoppages or concerted refusals to work in support of any of its bargaining demands. The Company, for its part, likewise agrees, not to resort to the lockout of employees to support its bargaining position.

**G. DISPUTE RESOLUTION**

Any alleged violation or dispute involving the terms of this appendix may be brought to a joint committee of one representative of each of the Company and the Union. If the alleged violation or dispute cannot be satisfactorily resolved by the parties, either party may submit such dispute to arbitration. A hearing shall be held within ten (10) days following such submission and the arbitrator shall issue a decision within five days thereafter. Such decision shall be in writing but need only succinctly explain the basis for the findings. All decisions by the arbitrator pursuant to this appendix shall be based on the terms of this appendix and the applicable provisions of the law. The arbitrator's remedial authority shall include the power to issue an order requiring the Company to recognize the Union where, in all the circumstances, such an order would be appropriate.

The arbitrator's award shall be final and binding on the parties and all employees covered by this appendix. Each party expressly waives the right to seek judicial review of said award; however, each party retains the right to seek judicial enforcement of said award.

**Mr. Harry Lester, Chairman  
Director, District 2  
UNITED STEELWORKERS OF AMERICA**

**Dear Mr. Lester,**

**This letter will confirm our understanding with respect to a new Neutrality Appendix to be incorporated into the Successor Agreement to our August 1, 1993 bargaining agreement.**

**Notwithstanding any contrary provision of that Appendix, the parties agree as follows:**

- 1. The Neutrality Appendix will not apply to any facility located outside of the United States and its territories, or Canada.**
- 2. The Neutrality Appendix will not apply, solely by**

**operation of said Appendix, to an Affiliate or Venture of the Company which employs workers represented by a labor organization**

- 3. During our discussions, the parties carefully reviewed the activities conducted at DNN, a limited partnership located in Windsor, Ontario, Canada, in which the Company currently holds a ten percent (10%) ownership interest. Our discussions established that DNN does not engage in the making of steel or the mining of iron ore. With that importantly in mind, the parties have agreed that the Neutrality Appendix will not apply to DNN; provided, however, that if the Company acquires the right to direct the management and policies of DNN such that it becomes an Affiliate, as that term is defined in the Neutrality Appendix, then the Neutrality Appendix will be immediately fully applicable at DNN. Further, if DNN in the future establishes any facilities or operations in the US., the Neutrality Appendix will be immediately applicable at such facilities or operations.**

**Sincerely,  
Leon L. Judd  
Vice President  
Human Resources  
National Steel Corporation**

**Confirmed: Harry E. Lester**

## **APPENDIX I PLANT CLOSINGS**

The parties recognize the potential, far-reaching impact of permanent shutdowns of facilities and the need to cooperate in attempting to lessen this impact. Accordingly, in the event of the permanent shutdown of a plant, Company and International Union representatives shall meet to determine whether appropriate Federal, State, or local government funds are available to establish an employee training, counseling, and placement assistance program for that facility. If such funds are available, the Company and Union shall work jointly to secure such funds to establish a program to provide: alternative job training for affected employees for job opportunities primarily within the Steel Industry; counseling for affected employees on available benefit programs and job opportunities within the Company and the area; and job search counseling.

In implementing such program, the Company will cooperate with the involved local union and state unemployment agency, other appropriate public or private employment agencies, and area employers in an effort to seek job opportunities for displaced employees. To further assist affected employees, both the Company and the Union will designate specific representatives at the time of any such permanent plant closing to answer questions by employees pertaining to their rights under the Basic Labor Agreement and various benefits programs.

When the Company decides to permanently close a plant or a substantial portion of a plant, it shall cooperate with government agencies and the Union and any consultants they may engage by providing relevant historical data for feasibility studies which are undertaken to determine if viable businesses can be formed using the closed facilities. Such requests for information shall be reasonable in dimension and required for concerned analysis. The Company shall not be required to provide information for products it continues to produce, customer lists, economic models, market analyses, cost or profit information by product or stage of manufacture, or other proprietary information nor shall it be required to provide information involving trade secrets. All information shall be provided on a confidential basis and its use shall be solely for the purpose of conducting the feasibility study.

*Appendix I – Plant Closings (cont.)*

The only costs of the concerned feasibility studies to be borne by the Company will be those associated with gathering and providing the relevant historical data, except by mutual agreement.

**APPENDIX J  
CREW COORDINATORS**

1. The parties intend to establish and implement procedures for the utilization of Bargaining Unit Crew Coordinators.
2. Crew Coordinators will be selected from the bargaining unit involved and remain in the bargaining unit. The Crew Coordinator will be proficient on all jobs over which they provide direction and they will regularly perform such work in addition to directing the crews and providing administrative services.

The prerequisites and responsibilities of the Crew Coordinator will include:

- a. Proficiency in the jobs within the crew which they are directing.
- b. Regular participation in the work tasks in addition to the responsibilities of directing crews and performing administrative services.
- c. Planning the work and expediting material for particular jobs as assigned.
- d. Assignment of work to crew members.
- e. Instruction of crew members.
- f. Coordination of the assigned jobs including supporting occupations requested or assigned to assist on that job.
- g. Communications with the crew, supervision, and related occupations.
- h. Written and/or oral reporting to supervision including progress reports, identification of problems, recommendations, and explanation as required.
- i. The Crew Coordinator job shall receive \$1.25 per hour above the highest hourly rate coordinated, unless the crew coordinator is red-circled as a result of the 1989 Agreement. In this instance the Crew Coordinator will receive \$1.25 per hour above the red-circled rate per hour.

3. The procedure for selection and implementation of Crew Coordinator shall be as follows:
  - a. The procedure for selection and implementation of Crew Coordinator jobs in the Office and Technical unit shall be effective as soon as practical, but not more than nine (9) months after the date of the 1989 Labor Agreement.
  - b. Bids for the job of Crew Coordinator will be accepted from employees who have satisfactorily completed a voluntary leadership training program, which shall be provided at Company expense, outside of the employee's scheduled working hours. The employee shall receive his hourly equivalent salary rate for hours spent in such training.
  - c. The job will be bid within the Office and Technical unit, or department involved. The bid notice will include the identity of whom to contact for a background data form.
  - d. The bidder will complete the background data form to update or supplement personnel records prior to interviewing for the job.
  - e. An interview with supervision will be conducted, wherein job responsibilities will be explained.
  - f. Final selection will be based on criteria set forth in the seniority (promotion) provisions of the Basic Agreement and Local Seniority Agreement and the satisfactory completion of the aforementioned leadership training program.
  - g. Periodic performance reviews will be conducted not less than quarterly for the first year and not less than semi-annually thereafter, including completion of a rating form, a specimen of which is attached as Exhibit A. Such performance reviews will be conducted by supervision with input from the appropriate Grievance Committeeman or his designee, as requested or required. The ratings will be reviewed in person with the Crew Coordinator and recorded in his personnel record at that time. Upon request, the Crew Coordinator shall be provided with a copy of the completed rating form.

*Appendix J – Crew Coordinators (cont.)*

- h. The selection or removal of employees from the Crew Coordinator job may be subject to dispute in the grievance procedure.
- i. Should removal be necessary after discussions regarding proficiency and areas of deficiencies and attempts to correct same, the employee shall be reassigned to his incumbent position or to whatever job his seniority entitles him to hold.
- j. The utilization of the Crew Coordinator job will be at Management's direction and will be based on Office and Technical requirements.
- k. The Crew Coordinator job shall not be utilized on production machines or processes where existing jobs presently direct the workforce.
- l. The Crew Coordinator shall not issue or effectively recommend discipline or discharge of other bargaining unit employees.
- m. Upon approval of the procedure, existing group leaders may become Crew Coordinators on the same terms and conditions as set forth in items 2.a through 2.h.

**CREW COORDINATOR PERFORMANCE APPRAISAL FORM****Review Type** Quarterly Review Due Date \_\_\_\_\_ Semi Annual Review Due Date \_\_\_\_\_

Badge \_\_\_\_\_ Name \_\_\_\_\_

Dept. \_\_\_\_\_

C.C. Qualification Date \_\_\_\_\_

**RATING SCALE**

The purpose and intent of the performance review is for the Crew Coordinator and Supervisor to review job performance and to identify leadership strengths and opportunities for further development.

	EXCELLENT 4	VERY GOOD 3	GOOD 2	NEEDS ADDITIONAL DEVELOPMENT 1
<b>SAFETY:</b> Understands and implements Plant Safety and Health procedures.				
<b>COMMUNICATION:</b> Expresses self well in both oral and written communication with supervisors and co-workers.				
<b>SELF DIRECTION:</b> Personally well organized; utilizes time effectively; takes independent action when appropriate.				
<b>WORK DIRECTION:</b> Ability to plan, schedule, delegate or assign work to crew members and to follow up to insure successful completion of job.				
<b>DECISION MAKING:</b> Ability to recognize when a decision is required; uses good judgment and available information in making the decision; acts and follows through on decision.				
<b>KNOWLEDGE OF THE JOB:</b> Understanding the functions and relationships of crew coordinator, the positions directed and supporting occupations.				
<b>LEADERSHIP SKILLS:</b> Ability to interact effectively with supervision and co-workers.				
<b>INTERPERSONAL SKILLS:</b> Ability to provide direction to influence thoughts, actions and gain involvement of others to achieve a common goal.				
<b>OVERALL PERFORMANCE SUMMARY</b>				

DID NOT ACT AS CREW COORDINATOR DURING APPRAISAL PERIOD

\_\_\_\_\_(Supervisor Mark X here and sign on back. No appraisal necessary.)

**STRENGTHS:**

---

**DEVELOPMENTAL NEEDS:**

---

**RECOMMENDED TRAINING & DEVELOPMENT:** What can the employee do to improve performance on the existing job?  
(Specific on-the-job or off-the-job training)

---

**REMARKS CONCERNING RESULTS**

**EMPLOYEE:**

**GRIEVANCEPERSON:**

**SUPERVISOR:**

---

**SIGNATURES:** (These signatures indicate an appraisal has been conducted)

\_\_\_\_\_  
Supervisor

\_\_\_\_\_  
Grievanceperson

\_\_\_\_\_  
Crew Coordinator

Date \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

---

**Distribution:** Original-Human Resources Coordinator Copies-Employee and Supervisor

**APPENDIX K  
USWA/NATIONAL STEEL CAREER  
DEVELOPMENT PROGRAM**

**In recognition of the worldwide competitive challenges that confront the Company and the entire workforce, the Union and the Company have established an innovative and important venture for training and educating workers – the USWA/National Steel Career Development Program (“Program”) which, in conjunction with similar programs negotiated by the Union with various other employers will be administered under the rules and procedures of the Institute for Career Development (“ICD”)**

**The purpose of the Program is to provide support services for the education, training and personal development of the employees of the Company. This will include upgrading the basic skills and educational levels of active employees in order to enhance their ability to absorb craft and non-craft training, their ability to progress in the workplace, their ability to perform their assigned work tasks to the full extent of their potential, and their knowledge and understanding of the workplace, and of new and innovative work systems. This will also include education, training and counseling which will enable employees to have more stable and rewarding personal and family lives, alternative career opportunities in the event that their steelworker careers are subject to dislocation, and long, secure and meaningful retirements.**

**In establishing this Program the Union and the Company are implementing a shared vision that workers must play a significant role in the design and development of their jobs, their training and education, and their working environment. In a world economy many changes are unforeseen and unpredictable. Corporate success, worker security and employee satisfaction all require that the work force and individual workers be capable of reacting to change, challenge and opportunity. This, in turn, requires ongoing training, education and growth. Experience has shown that worker growth and development are stunted when programs are mandated from above but flourish in an atmosphere of voluntary participation in self-designed and self-directed training and education. These shared beliefs shall be the guiding**

**principles of the USWA/National Steel Career Development Program.**

### **Funding and Administration**

**The Program will be financed by a contribution from the Company in the amount of 10 cents (15 cents effective July 31, 2002) per actual hour worked credited in a separate account. The Program will be administered jointly by the Company and the Union in accordance with the procedures, rules, regulations and policies of the ICD. Effective with calendar year 2000, any credits accrued for actual hours worked during a calendar year which remain unspent at the end of such calendar year will commence accruing interest computed at a rate of 4% per annum until spend during the term of this August 1, 1999 Basic Labor Agreement. The parties will also seek and use funds from federal, state and local governmental agencies.**

**The Company agrees to continue to participate fully as a member of ICD in accordance with the policies, rules and regulations established by the ICD. The Company's financial contributions to the Program will continue to be separately tracked. ICD will continue to be under the joint supervision of the Union and participating employers with a Governing Board consisting of an equal number of Union and employer appointees.**

**Apprenticeship, craft training and training for position-rated jobs are separately provided for in the Labor Agreement. The Company may, however, contract with the Program or ICD to provide services and resources in support of such training.**

### **Reporting, Auditing, Accountability and Oversight**

**The following minimum requirements shall govern reporting, auditing, accountability and oversight of the funds provided for the above:**

#### **1. Reporting**

**For each calendar year quarter, and within 30 days of the close of such quarter, the Company shall account to the ICD, the International President of**

the Union and the Union Chairman of the Negotiating Committee for all changes in the financial condition of the Program. Such reporting shall include at least the following information for each quarter:

- The Company's 10 cents (15 cents effective July 31, 2002) per hour contribution per quarter with cumulative balance.
- The amount, if any, of imputed interest.
- A detailed breakdown of actual expenditures related to approved program activities during said quarter.
- Reports shall be broken down by plant and include all expenditures for that site.
- Reports shall be made on form(s) developed by ICD and approved by the ICD Governing Board.

The Union Co-Chairs of each of the Local Joint Committees shall receive a report with the same information for their plant or local union, as the case may be.

## **2. Auditing**

The Company or the Union may, for good reason, request an audit of Company reports described above and of the underlying Program activities made in accordance with the following: The Company and the Union shall jointly select an independent outside auditor. The reasonable fees and expenses of the auditor shall be paid from ICD funds. The scope of audits may be company-wide, plant-specific, or on any other reasonable basis.

## **3. ICD Approval and Oversight**

Each year, the Local Joint Committees shall submit a proposed training/education plan to the Union and Company Negotiating Committee Chairmen. Upon their approval, said plans shall be submitted

to the ICD. ICD must approve the annual plan before any expenditure in connection with any activities may be charged against the funds provided for in this Program. An expenditure shall not be charged against such funds until such expenditure is actually made.

### **Dispute Resolution Mechanism**

Any dispute regarding the administration of the Program at the Company or plant level shall be subject to expedited resolution by the Company and the Union Co-Chairmen of the Negotiating Committee and the Executive Director of ICD who shall apply the policies, rules and regulations of the Governing Board in ruling on any such dispute. Rulings of the Executive Director on any such dispute may be appealed to the Governing Board, but the Executive Director's ruling shall become and remain effective unless stayed or reversed by action of the Governing Board. Within 60 days of the effective date of this Labor Agreement the Union and the Company will develop such administrative procedures as are necessary for the operation of this expedited Dispute-Resolution Mechanism, it being understood that the goal is to resolve disputes within no more than two weeks after the Dispute Resolution Mechanism is invoked.

### **Overtime Control**

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

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

rates.

- (b) Purpose:** The OCTF is to be used to fund job-related training and education, provided that such training is directly related to pre-apprenticeship preparation programs, apprenticeship programs, craft training, non-craft described and classified job training and other job related training other than training the Company affords pursuant to Article 13, Section 13.18 (Manning New Facilities) or Appendix O-6-g (Training of Transferred Employees). The parties will also seek and use funds from federal, state and local governmental agencies.
- (c) Approval:** No expenditure may be charged to the OCTF unless such expenditure is specifically approved in writing by both the Union and Company Co-Chairmen of the Committee.
- (d) Annual OCTF Plan:** The Committee shall jointly develop a plan each year setting forth the projected amount of plant OCTF allocable to specific plant training and education programs. An information copy of such annual plan shall promptly be sent to the International President of the Union and the Company and Union Chairmen of the Negotiating Committee.
- (e) Reporting:** The Company shall furnish to the International President, the Company and Union Co-Chairmen of the Negotiating Committee, and the Committee a quarterly report (i) itemizing credits and charges to the Plant OCTF, relating each such credit and charge to a specific program contained in the Annual OCTF Plan, (ii) stating the current level of the Plant OCTF and (iii) showing, by each department in the Plant, the hours worked by each employee in such department during each pay period in the quarter for which an Overtime Control credit has been incurred pursuant to this Appendix.
- (f) Auditing:** Upon request of the Union Chairman of the Negotiating Committee an audit of Company reports and of the underlying program activities shall be made in accordance with the following: The Company and the Union shall jointly select an inde-

pendent outside auditor. The reasonable fees and expenses of the auditor shall be paid from the OCTF. The scope of audits may be company-wide, plant-specific, or on any other reasonable basis.

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

## **APPENDIX L OVERTIME**

Many instances of both scheduled and unscheduled overtime are available. In addition, the use of overtime in a company that provides employment security for its employees must be regarded less negatively than in a company that does not provide employment security. However, excessive overtime is costly to the company and disruptive to employees' quality of work life. Therefore, the parties have resolved to eliminate excessive overtime.

In their efforts to eliminate excessive overtime, the parties shall:

- Investigate areas of excessive overtime;
- Identify the specific causes of excessive overtime in the area being investigated;
- consider alternatives to resolve the problems in whole or in part;
- recommend management solutions to the excessive overtime problem in the investigated area;
- introduce the master overtime call-in procedure, below:

### **O&T Master Overtime Call-in Procedure:**

The parties have agreed that the purpose and intent of this procedure is to provide a uniform method for the equitable distribution of overtime turn opportunity. This Agreement is intended to function concurrently with the provisions of the Basic Agreement between the parties and is only applicable when overtime call-in is to be utilized.

### **Procedure:**

1. All vacancies may be filled as far in advance as practical. All call attempts will result in a charge.
2. To assist in the equitable distribution of overtime, an employee must maintain an active telephone contact number with the department. Failure to

maintain an active number shall result in that employee being charged with a turn when otherwise eligible for overtime contact.

3. Effective during the second full week of January each year, all employees on the overtime record board shall be recorded at zero (0) turns. Employees shall accumulate no more than 2 overtime turns.
4. Overtime record boards and overtime contact opportunity records shall be available upon request in each department or section, and shall be available for review upon request by the employee or his Union representative. All overtime opportunity calls shall be recorded.
5. Violations in the call-in procedure pointed out to supervision shall be corrected by offering the missed employee the next available comparable rate overtime turn without assignment limitation within the classification. If, after appropriate notification, the missed employee is bypassed for the next overtime turn, the employee shall be compensated for the turn at a comparable rate. Rejection of a next available turn offer shall be recorded as a refusal and considered final resolution of the error.
6. Partial turn overtime distribution procedure may be continued or established as deemed necessary by the parties at the department level.
7. The parties will permit employees to voluntarily remove their name from the overtime contact procedure, provided it is recognized that by doing so, it does not relieve any employee of the obligation to work necessary overtime as conditions may require. It shall be the employee's obligation to reinstate his name to the Overtime Contact Procedure.

Problems concerning procedures for the equitable distribution of full or partial turn overtime or interpretation of this O&T Master Overtime Call-In Procedure Agreement, shall be referred for resolu-

*Appendix L – Overtime (cont.)*

tion to the Chairman of the Union Grievance Committee or his designated representative and the Manager-Employee Relations or his designated representative.

The parties reaffirm their mutual intent to provide for a meaningful and practical method of providing for the equitable distribution of overtime opportunity. The parties agree to meet as requested by each other to consider any revision to the understanding in furtherance of this objective.

**APPENDIX M  
CONSENT DECREE I**

By Order of Court, the Decree will be dissolved on November 1, 1989, unless extended by the Court.

Certain portions of the Decree are not applicable simply by reason of the passage of time or they do not apply to an O&T unit. Other portions have been specifically adopted in the Basic Labor Agreement. In this Memorandum, the Company and the Union have agreed to preserve and continue certain fundamental provisions of the Decree which may not have lapsed through the passage of time and which may not be contained in the Basic Labor Agreement, and make such changes as are necessary to reflect the fact that, as of November 1, 1989, the Government agencies which were parties to the Decree will not be parties to this Memorandum and the undertakings contained herein are no longer in the form of a court order.

**1. Definitions**

For the purposes of this Understanding, the following definitions shall apply:

- (a) The terms "Company" and "Management" in both the singular and the plural shall refer to National Steel Corporation and its management personnel at the Granite City, Great Lakes and Midwest Divisions.
- (b) The term "Union" shall refer to the United Steelworkers of America, AFL-CIO-CLC and each and all of its local unions representing employees at the Granite City, Great Lakes and Midwest Divisions of the Company.
- (c) The term "Trade and Craft" refers to those occupations which are so classified under the Basic Labor Agreements listed in the August 1, 1971 Job Description and Classification Manual.
- (d) The term "Minority" refers to persons of the black race and spanish-surnamed Americans (as defined for EEO-1 reports).

- (e) The term "Entry Level Job" refers to the job or jobs in a seniority unit or line of promotion in which permanent vacancies remain after all employees with incumbency status in such unit or line have exercised their promotional and other seniority rights.
- (f) In referring to employees, the masculine gender is used for convenience only and shall refer both to males and females.

**2. Purpose and Scope**

The Company, the Union, and each of them, and their officers, employees, and local unions, shall not discriminate in any aspect of employment on the basis of race, color, sex or national origin and are committed to fully implement and participate and cooperate in the implementation of the provisions set forth below. The purposes of this Understanding continues to be the achievement of prompt and full utilization of minorities, females, and longer service employees by increasing the promotional and transfer opportunities of such employees covered by the Basic Labor Agreement.

**3. Length of Plant Continuous Service**

- (a) Except where a Basic Labor Agreement or other agreements entered into between the Company and the Union provide for the use of Company continuous service or some greater measure of service length than plant continuous service, plant continuous service (hereinafter plant service) shall be used for all purposes in which a measure of continuous service is presently being utilized; provided, however that all promotions, step-ups, demotions, layoffs; recalls and other practices affected by seniority shall be in accordance with plant service provided that, (a) demotions, layoffs, and other reductions in forces shall be made in descending job sequence order starting with the highest affected job and with the employee on such job having the least length of plant service, and (b) the sequence on a recall shall be made in the reverse order so that the same experienced people shall return to jobs in the same positions relative to one another that existed prior to the

reductions. The parties at a plant may agree in writing to preserve an existing procedure varying from the requirements of the proviso contained in the preceding sentence where it is not inconsistent with the purpose of this Understanding.

- (b) Where an employee transfers from one seniority unit to another, his plant service shall be used for all purposes as provided for by paragraph 3 (a) except he shall not be entitled to have any regular vacation schedule which has previously been established in his new seniority unit in accordance with the applicable Basic Labor Agreement, changed because of his entry into that unit, nor shall he be entitled to have any then existing shift or other schedule in such unit changed unless it embraces more than a four week period following his entry into the unit. A transferring employee who was scheduled in his former unit for a regular vacation in accordance with the applicable Basic Labor Agreement, shall be allowed to take such regular vacation as scheduled except as the orderly operations of his new unit preclude it.

#### 4. Pools

- (a) The present number of pools and the arrangement of pools (i.e., "tails in" the pool or "tails out" of the pool), shall remain unchanged except as the Company and the Union representatives involved agree to make changes.
- (b) Where a job sequence or line of progression includes jobs in the pool ("tails in"), such pool jobs in that job sequence or line or progression shall be considered as a single composite job in filling permanent vacancies above the pool.

#### 5. Departments

Departments shall be used for promotional and transfer purposes instead of the existing pool areas.

#### 6. Permanent Vacancy and Transfer Rights

Permanent transfers shall not be made through the operation of the pool procedures. An employee who is

assigned under a pool arrangement to a unit for purposes of retention shall not be able to effectuate a permanent transfer to that unit by refusing a recall to his home unit. (However, nothing contained herein shall preclude such an employee from effectuating a permanent transfer by bidding for a permanent vacancy in such a unit or any other unit. Moreover, nothing contained herein shall affect the rights of such employees under a permanent shutdown, situation). In addition, such a retained employee shall have only such promotional rights in the unit to which he is assigned for retention purposes as are provided for by paragraph 6(f) below.

- (a) Subject to the exception provided hereinafter by paragraph 9(e) for entry into Trades and Crafts, there shall be a four step procedure for filling permanent vacancies. A permanent vacancy shall be filled from within the first step of competition (whether it be unit, line of progression, etc.). Each succeeding vacancy shall be filled in the same manner and the resulting vacancy in the entry level job shall thereafter be filled on a departmental basis (the second step of competition).

Resulting entry level departmental vacancies shall be filled on a divisional basis (the third step of competition) by employees with at least 6 months of plant service on the date the vacancy is posted. Resulting entry level divisional vacancies shall be filled on a plant wide basis (fourth step of competition) by employees with at least 1 year of plant service on the date the vacancy is posted.

- (b) However, in plants where operating circumstances so warrant (such as size, geography, job relationships, physical proximity, safety, and other appropriate factors) a two-step procedure for filling permanent vacancies shall be established by the parties at such plants. Under such a two step procedure, a permanent vacancy shall be filled from within the first step of competition (whether it be unit, line of progression, department, etc.). Each succeeding vacancy shall be filled in the same manner and the resulting vacancy in the entry level job shall thereafter be filled on a plant-wide basis

by employees with at least 6 months of plant service on the date the vacancy is posted.

- (c) An employee who transfers pursuant to this Understanding shall have the right to return to the seniority unit from which he transferred within a 45 calendar day period commencing from the date of his transfer, provided that Management does not delay the transfer for an additional 45 day period in order to address plant staffing needs. Furthermore, if Management should return him to his former unit because he cannot meet the requirements of the job to which he has been assigned in his new unit, such return shall be made within such 45 calendar day period. In either event, his return to his former seniority unit within such 45 calendar day period shall be without loss of his seniority standing in such unit.
  
- (d) The Basic Labor Agreement between the Company and the Union provides that Management may require a transferring employee to have the necessary qualifications to progress in the promotional sequence to the next higher job to the extent that Management needs employees for such progression, and that Management can require sufficient numbers of occupants of each job in a promotional sequence be available to assure an adequate number of qualified replacements for the next higher job. These provisions shall apply only to jobs in a promotional sequence leading to Trade or Craft or special purpose maintenance jobs or to highly skilled operating or technical jobs, to the extent applicable.
  
- (e) Under the provisions of the Basic Labor Agreement between the Company and the Union, an employee assigned under any pool arrangement to a seniority unit for purpose of retention shall have no seniority rights for promotional purposes in that unit, except in competition with an employee in such unit who has been employed less than 31 days prior to the retained employee's assignment in that seniority unit.

- (f) Posting of permanent vacancies shall comply with the following:
- (1) Permanent vacancies on entry level jobs in plant-wide competition shall be posted on a plant-wide basis in accordance with administrative rules currently in effect as to location of posting, duration of posting period, method of bidding, period for selection, notice of selection, and method or procedure for contesting a selection. Such rules require that (a) the notice of vacancy posted shall indicate the department, job title, job class, estimated number of employees needed, date of posting, and the time and location where bids can be filed for the vacancy involved; (b) the bids shall be in writing, and (c) the subsequent notice of the prevailing bidders shall indicate their plant continuous service dates.
  - (2) Permanent vacancies on jobs in department-wide competition shall be brought to the notice of all employees within the department in accordance with administrative rules currently in effect. Where necessary, such notice shall be posted and, in any event, the rules shall insure complete and adequate notice to all affected employees of (a) the vacancies, and subsequently, (b) the employees selected, including their plant continuous service dates.
  - (3) Permanent vacancies may be filled by temporary assignments in accordance with applicable seniority agreements until such time as the prevailing bidder is selected and assigned.
- (g) Transferred employees will be afforded appropriate training opportunities (including opportunities to fill temporary vacancies pursuant to the applicable provisions of the Basic Labor Agreement) in order to encourage transfer hereunder and normal progression of employees in their seniority units.

7. Rate Retention

- (a) An employee whose plant continuous service date precedes January 1, 1968, shall be entitled to receive a form of rate retention on the occasion of one transfer. The employee may elect the particular transfer for which his right to rate retention shall apply, provided such election is made at the time of the transfer. If any employee accepts transfer with rate retention under this paragraph 7, his rights in the unit from which he transfers will be cancelled 45 calendar days after such transfer or such period of time that the employee is held by Management under 6(a) above provided, however, that if during such period such employee voluntarily returns to the unit from which he transferred or is returned by Management, and if such return is after his first exercise of his right to rate retention under this paragraph 7, he will be given one additional transfer with rate retention rights under the provisions of this paragraph 7.
  
- (b) An employee who exercises an opportunity under this paragraph 7 to transfer with rate retention will be provided with a personal transfer rate to be paid starting 45 calendar days after his transfer, retroactive to his date of transfer, provided he does not voluntarily or at the direction of Management return to the unit from which he transferred within such period. Except as provided in paragraph 7(c) below, his personal transfer rate shall be the standard hourly wage rate which is nearest to his hourly equivalent salary rate in the 13 consecutive weekly pay periods or 7 consecutive bi-weekly pay periods (whichever is applicable) immediately prior to his date of transfer. The incentive calculation rate corresponding to the standard hourly wage rate which constitutes his "personal transfer rate" will be applicable when he works on an incentive job in his new seniority unit or department. In no event, however, shall an employee's personal transfer rate exceed the lower of (1) the standard hourly wage rate in effect for Job Class 11 on the date of his transfer; or (2) the standard hourly wage rate of the highest job in the line of progression to which he is transferring. For the hours in

each pay period that are compensated after such transfer (except vacation and Sub payments) an employee shall be paid the higher of: (1) his average hourly earnings using his personal transfer rate as applied to his new job(s); or, (2) his average hourly earnings at the established rate of pay for his new job(s) in that pay period.

- (c) If a female or minority employee transfers under the provisions of this paragraph 7 from an incentive job to a non-incentive job which is in a line of progression where the majority of jobs are incentive rated, for so long as that employee is working on a nonincentive job in the new unit, the employee's personal transfer rate shall be the employee's average hourly earnings (exclusive of shift, overtime, Sunday and Holiday premium, but including incentive earnings) as calculated for the reference period set forth in paragraph 7(b) above.
- (d) An employee's personal transfer rate shall be adjusted only for general wage increases and it shall not be adjusted for any increases in Job Class increments.
- (e) An employee's personal transfer rate shall be terminated for all purposes on the occurrence of any one of the following:
  - (1) His average hourly earnings in his new line of progression over 13 consecutive weekly pay periods or 7 consecutive bi-weekly pay periods (whichever is applicable) exceed his average earnings as calculated by use of his personal transfer rate.
  - (2) 104 weeks elapse after the date of his first effective transfer with rate retention.
  - (3) He refuses to promote or fails to take an opportunity for a permanent promotion to a higher job in his line of progression or seniority unit unless he has worked less than 30 days since entry into such line or unit or since

his last preceding permanent promotion in such line or unit.

- (4) He twice fails to qualify for permanent promotion to the same next higher job in his new line of progression provided that two or more such failures to qualify within a 30 working day period shall count as only one failure.
- (5) He subsequently transfers voluntarily to another line of progression, except where (a) a female or minority employee after having transferred from one department to another department subsequently makes one additional transfer within the new department, or (b) a female or minority employee after having transferred pursuant to this Understanding into a line of promotion or seniority unit has his promotional opportunities in that line or unit adversely affected as a result of a restructuring or other change in that line or unit and thereafter subsequently makes one additional transfer to or within any department other than that from which he originally transferred. Female or minority employees will be entitled to make one additional transfer as provided in either a. or b. or this subparagraph (5) but not both. Nothing in this subparagraph (5) shall operate to extend or interrupt the time period set forth in paragraph 7(e)(2) above.

#### 8. Seniority Factors

The definitions of Seniority presently contained in the various Basic Labor Agreements, including such factors as relative ability, physical fitness and continuous service, shall be preserved.

#### 9. Affirmative Action for Trade and Craft Occupations

The Company at each plant, facility or other operations shall establish goals and timetables for qualified minority representation and/or qualified female representation in Trade and Craft jobs wherever there is underuti-

lization of minorities and/or females in accordance with 41 C.F.R. 560-2.11 and 60-2.12 of Revised Order No. 4 issued by the Department of Labor; Office of Federal Contract Compliance (hereinafter, Revised Order No. 4), as made more specific by the following:

- (a) **Utilization Analysis:** A utilization analysis of the craft jobs in each Trade and Craft shall be conducted pursuant to Section 60-2.11 of Revised Order No. 4 at each of the plants. Each factor in Sections 60-2.11(a)(1) and 60-2.11(a)(2) for which accurate and relevant data are available shall be considered. However, in establishing goals and timetables for P&M minorities available with the plant, of those factors set out in Section 60-2.11, and referred to in Section 60-2.12, primary emphasis shall be given to the factors in Section 60-2.11(a)(1)(iv) and (vi). Goals for females shall be established on the basis of the applicable provisions of Revised Order No. 4 based upon their percentage representation in the P&M units within the plant or facility.
- (b) **Establishing Goals:** In establishing goals, Trade and Craft jobs at each plant shall be grouped (e.g., all electrical crafts) according to similarities of skills, function, and such other criteria as have been established and within each such grouping of Trade and Craft jobs separate goals shall be established for each minority group and for females.
- (c) **Establishing Timetables:** Timetables shall be established with the objective of achieving the goals for minorities and females in each Trade and Craft grouping as rapidly as practicable.
- (d) **Implementing Ratio:** An implementing ratio of 50% shall be applied in the aggregate for all groups for whom timetables are established, for each Trade and Craft grouping at each plant, to the extent that qualified applicants from such groups are available within the plant, until the goals therefore have been achieved. In applying the implementing ratio, all permanent vacancies within a craft job and its apprenticeship, as well as within all occupations

which in fact lead to that craft job, shall be considered as a single consolidated group with regard to the initial entry of employees into such jobs and occupations.

- (e) **Seniority Factors:** As an exception to the procedures for filling vacancies provided for by paragraph 6(a), all permanent vacancies in apprenticeships and in entry level jobs in lines of promotion containing occupations which in fact lead to craft jobs, shall be filled on a plant-wide basis from among qualified bidding employees. Similarly, permanent vacancies in craft jobs which are not filled by the promotion or assignment of apprenticeship graduates, or by the promotion of an employee from a non-craft job in a line of promotion leading to a craft job, or by the transfer of a craft employee from one unit to another within the same Trade or Craft, shall be filled on a plant-wide basis from among qualified bidding employees. In order to meet the implementing ratio, seniority factors shall be applied separately to each group for whom timetables are established and to all other employees. At any plant or facility where there are no qualified applicants or bidders for a vacancy, the Company may obtain new hires to fill such vacancy, provided all good faith efforts shall be made in doing so to comply with the established implementing ratio.
- (f) **Review:** The goals, timetables and implementing ratio established pursuant to this paragraph 9 shall be reviewed periodically, but at least annually, by the Company for such adjustments as may be appropriate or necessary.
- (g) **Qualifications of Applicants:** The Company may require applicants for craft jobs, apprentice positions, or other occupations which in fact lead to craft jobs, to be qualified to perform or to learn to perform the craft job in question.

In their efforts to meet the goals, timetables, and implementing ratio established pursuant to this paragraph 9, minority and female applicants shall not be required by the Company to possess quali-

fications which exceed the minimum criteria applied to white male applicants who, since a job was established as a craft in the plant, have been admitted and are successfully performing the requirements of that job as it exists in such plant.

- (h) Compliance: The Company's compliance status shall not be judged solely by whether or not it reached its goals and met its timetables and implementing ratio. Rather, in accordance with Revised Order No. 4, the Company's compliance posture at each of its plants and facilities shall be determined by reviewing the extent of the Company's good-faith efforts made toward compliance and thus toward the realization of the goals within the timetables established.
- (i) Pre-Apprenticeship Training: The Company and Union shall make application to the United States Department of Labor for such funds as might be available for the establishment of pre-apprenticeship training programs.

10. Employee Selection Criteria

- (a) The Company shall not use employee selection procedures for initial employment, assignments to jobs and promotions, including all Trade and Craft selections, unless such procedures have been validated in accordance with the Equal Employment Opportunity Commission's "Guidelines on Employee Selection Procedures" (29 C.F.R. Section 1607) and the regulations of the Secretary of Labor on "Employee Training and Other Selection Procedures" (41 C.F.R. Section 60-3) or unless the Company, with specific selection procedures, can show that such procedures have no disparate effect on minorities or females. Where the standards set forth in Appendix F of the Great Lakes Division Basic Labor Agreement are applicable, employee selection procedures shall also meet such standards.
- (b) The Company shall maintain for a reasonable length of time, but at least three years, data pertaining to any test or other selection procedure,

including the identity, sex, race or national origin and score or other measurement obtained for each person subject to the test or procedure.

**11. Dispute/Complaint Procedure**

- (a) A dispute or complaint concerning the provisions of this Understanding shall be immediately referred to the Corporate JLMCC leadership group.
- (b) If the JLMCC leadership group is unable to resolve the issue. It may be referred to the JLMCC Resolution Panel (the "JRP") consisting of one (1) representative designated by the Union, and one (1) representative designated by the Company, and one (1) neutral representative selected by mutual agreement of the parties who shall be a person familiar both with the Steel Industry and the operation of the Decree. The fees and expenses of the neutral member and the administrative costs of the JRP shall be shared equally by the Union and the Company.
- (c) Resolutions reached at any level of this procedure shall be in writing and shall be final and binding upon the parties and all employees concerned.
- (d) With respect to any resolutions reached at the Plant or Division level involving local agreements which have been executed at the Plant or facility which deal with establishment of or changes in seniority units, seniority practices, lines of progression, or modifications of existing pool agreements, such resolutions must be referred to the Corporate JLMCC leadership group for final approval.

**12. Effect on Collective Bargaining**

The terms of this Understanding shall be fully binding on the Company and Union as defined in paragraph 1, and the arrangements provided herein are hereby made a part of the Basic Labor Agreement as though expressly incorporated therein, the provisions of any such Basic Labor Agreement, local seniority agreement, practice or arrangement to the contrary notwithstanding. Provided,

however, nothing in this Understanding shall operate to prevent the Company and the Union from pursuing normal collective-bargaining related to areas covered by this Understanding.

**13. Records and reports**

The Company shall maintain appropriate personnel, payroll, and bidding records necessary to monitor compliance with the progress made under the provisions of this Understanding. Such records shall include for every vacancy posted on a department or plant-wide basis the job title, job class, department, seniority unit and the name, badge number, race, sex, and plant service date of every bidder, with an indication of the prevailing bidder and the amount, if any, of his personal transfer rate. Where a prevailing bidder is other than a bidder with the longest plant service, the reason(s) therefore shall be indicated. Records shall also be kept of assignments of new and incumbent employees to all jobs subject to goals, timetables and implementing ratios established pursuant to paragraph 9, with an indication of the available applicants or bidders for which each was selected.

**APPENDIX N  
STAND UP FOR STEEL**

**Mr. Harry Lester  
Chairman, Union Negotiating Committee  
Director, District 2  
United Steelworkers of America**

**RE: Stand Up For Steel**

**Dear Mr. Lester:**

**Over the years, National Steel Corporation (“the Company”) and the United Steelworkers of America (“the Union”) have often worked together on matters affecting the domestic steel industry and to further their joint objectives on those matters.**

**Beginning with the 1986 Steel Crisis Action Agreement and continuing with the 1989 National Policy for Steel Agreement, the parties have expanded their efforts to include not only international trade but also enhancing economic development, insuring sound national fiscal and monetary policies, environmental policies and supporting appropriate national health care policies.**

**Additionally, the parties recognized the need to understand the long-term trends in the steel industry and develop strategies to deal with them. To that end the parties formed the Steel Industry Strategic Study Committee as an industry-wide labor management cooperation committee within the meaning of the Labor Management Cooperation Act of 1978. The Committee, comprised of senior leadership from the Union and leading steel companies, had as its purpose addressing competitive trends and other challenges to the long-term viability of the steel industry and long-term security for its workforce.**

**Most recently, the Company, the Union and other steel companies conducted a cooperative and focused effort, called Stand Up For Steel, to draw attention to the serious injury being caused to our industry by unfairly traded steel imports flooding into our market. While we have worked together on many occasions on this issue, no effort has been as well organized and as effective as the**

recent efforts conducted under the banner of Stand Up For Steel. That campaign, to put it mildly, has been extraordinarily successful.

When we began this effort, many believed that we could do very little to stop the flood of imports. By November of last year imports consumed almost 50% of our market, and there seemed no limit to the damage that would be done.

But through the Union's and the Company's leadership, and the active involvement of a number of other steel companies, we have caused our nation's leaders to address the situation. And our efforts are paying off. The Stand Up For Steel campaign has played a dramatic role in helping our national's leaders, our customers and suppliers and the general public to better understand the severity of the situation. The campaign has also been effective in advancing legislative and other actions to restore fair trade in steel.

The crisis is not over, far from it. While it is true that overall import levels in the first quarter of this year were below the record levels reached in the third and fourth quarters of 1998, imports from a number key steel producing producing countries are still dramatically above their pre-crisis level and causing very serious injury.

And we must recognize that whatever the outcome of the current campaign, our industry remains extremely vulnerable to a future of unfair trade and governmental leaders with views adverse to our industry.

However, one thing has been proven beyond doubt. America's Steelworkers and steel companies have a sound and effective voice in Washington and state capitols around the nation. And the entire American steel industry is better off because of it.

All segments of our industry – carbon and stainless, flat rolled and long products, as well as iron ore and other raw material suppliers – remain extremely vulnerable to unfairly traded steel entering the U.S. market. The success of the Stand Up for Steel experience clearly demonstrates the value of joint activity and the parties are committed to continuing to work together and to expend the

necessary manpower and funds to achieve their joint goals.

Toward that end, the parties agree to form a new organization, called Stand Up For Steel ("SUFS") to consolidate the efforts that currently are undertaken under the National Policy for Steel Agreement and the Steel Industry Strategic Study.

We agree that SUFS will serve as a focal point of our joint activities in combating unfair trade in steel and related products, and other subjects as agreed to by the parties. The parties will continue to pursue other activities separately as appropriate and the funding and structure contemplated herein shall not be applicable to litigation to enforce the nation's trade law.

We further agree to do the following:

1. SUFS will be financed by a credit in the amount of \$.075 per ton of steel shipped commencing with the month of August, 1999, plus any remaining accrued contribution from the 1993 Steel Industry Strategic Study. The parties will develop a report form to track accrued obligations and expenditure on a regular basis.
2. The new organization will have a Governing Board consisting of an equal number of Union and Company representatives. The Board will be co-chaired by the USWA International President and a CEO selected by the participating Companies.
3. The parties will jointly recruit all American steel (carbon and stainless) and iron ore companies and others to join the organization under the terms described herein. The Company agrees to work with the other participating companies so that the company representatives on the Governing Board will represent the interest of all participating companies.
4. All activities conducted under the Banner of Stand Up For Steel shall be approved by the Governing Board

*Appendix N – Stand Up for Steel (cont.)*

**Very truly yours,**

**Leon L. Judd**

**Vice President – Human Resources**

**National Steel Corporation**

**AGREED:**

**Harry E. Lester**

**United Steelworkers of America**

**APPENDIX O  
FAMILY AND MEDICAL LEAVE POLICY**

This Appendix O sets forth the agreement between the Company and the Union for implementation of and compliance with the Family and Medical Leave Act of 1993 (FMLP).

Nothing in this Appendix shall be construed to provide lesser benefits than required under federal law.

**1. Eligible Employees:**

The Company recognizes that there are cases when a leave of absence from active employment may be necessary for family or medical reasons. Bargaining Unit Employees ("Employees") eligible for family and medical leave ("Leave") are those who have at least One Thousand and Forty (1040) hours of actual work in the employment of the Company.

Leave may be taken for the following reasons:

- (A) the birth of a child of an Employee, and to care for such child;
- (B) the placement of a child with the Employee for adoption or foster care;
- (C) the care of a Family Member who has a serious health condition, where the Employee has obtained a written opinion from a health care provider that either the Employee is needed to care for the Family Member or that the Employee's presence would be beneficial to the Family Member; or
- (D) a serious health condition of the Employee.

Leave under subparagraphs (A) and (B) for a birth or placement of a child must commence within twelve months of the date of such birth or placement.

A serious health condition is one which requires either inpatient hospital care or an absence from work for more than three days together with the continuing treatment of a health care provider. A serious health condi-

## *Appendix O – Family and Medical Leave Policy (cont.)*

tion also includes treatment for a chronic health condition which, if left untreated, would likely result in an absence from work for more than three days, and for prenatal care.

A family member includes an Employee's legal spouse, mother, father, son, and daughter (including stepfather, stepmother, stepchildren when they have lived with the Employee in an immediate family relationship).

### 2. Employee Notification

Employees who anticipate taking a Leave need to notify (i) their supervisor and (ii) the location's Human Resources Department of the anticipated date for commencement of Leave at least thirty (30) days in advance of the Leave for foreseeable events, e.g., birth of a child, planned medical treatment, etc. An Employee's failure to provide thirty-day notice prior to taking Leave may result in a delay of the Leave. If the need for Leave is not foreseeable, then notice must be given as soon as practicable, ordinarily within one or two working days. Notice should be given either in person or by phone when medical emergencies are involved and may be given by the Employee's spouse or other family member if the Employee is unable to do so.

Employees who seek to take Leave under this policy may obtain an Application for Leave Form from the Employee Benefits Department. The Human Resources Department shall be responsible for responding to the Employee's request for Leave. Any request to extend a Leave may be considered by the Company as a request for a new Leave subject to the same notice and eligibility requirements as the original request.

### 3. Length of Leave:

Each Employee is entitled to qualified Leave of up to a total of twelve weeks within a twelve-month period without loss of seniority or benefits. The amount of Leave available to an Employee at any given time will be calculated by looking backward at how much Leave, if any, has been taken by the Employee in the twelve-month period immediately preceding the requested Leave. However, Leave taken prior to August 5, 1993 will not

*Appendix O – Family and Medical Leave Policy (cont.)*

be counted against the Employee's Leave entitlement under FMLA.

Employees are expected to return to work when the reason for the Leave has terminated, regardless of whether the full amount of requested Leave time has expired. Additionally, an Employee wishing to return from Leave prior to the scheduled return date may do so by providing forty-eight hours advance notice of his or her desire to return to work.

Failure to return to work after the scheduled expiration of a Leave, unless the failure to return is caused by circumstances beyond the Employee's control, may be considered by the Company to be a voluntary quit, subject to the applicable provisions of the Basic Labor Agreement.

4. Coordination with other Benefits:

This policy is not intended to expand, reduce, restrict or otherwise change other collectively bargained benefits (hereinafter "Benefits") already in place, including, but not limited to, Salary Continuance, Sickness and Accident, Long Term Disability, etc. The Company and Union expressly agree, however, that time away from the job compensated by Sickness and Accident benefits, Salary Continuance, Long Term Disability, or Workers' Compensation, will also count against FMLP Leave time, subject to written notification to the Employee by the Company.

Employees may, subject to the provisions set forth in the USWA/NSC Bargaining Agreement regarding vacations, use any available paid vacation days for any part of the unpaid Family and Medical Leave provided under this policy. The Company may request an Employee seeking Leave to utilize unused vacation, but shall not require an Employee to do so.

5. Certification:

If a Leave is taken because of the serious health condition of the Employee or the Employee's Family Member, the Employee shall provide a health care provider's certification on a form available from the Employee

*Appendix O – Family and Medical Leave Policy (cont.)*

Benefits Department. Failure to provide adequate certification may result in a denial or delay of Leave.

The Company reserves the right to require that the person with the serious health condition receive a second opinion from another health care provider (at the Company's expense) certifying the Employee's or the Employee's Family Member's condition. In the event the health care provider selected by the Company disagrees with the Employee's or the Employee's Family Member's health care provider, the Company may require a third opinion, at its expense, by a health care provider agreeable to both the Company and the Employee. In such case, the third opinion shall be final and binding on both the Company and the Employee. The review process shall be completed as expeditiously as possible so as to not unreasonably delay a Leave.

An Employee who is away from work on Leave necessitated by his or her own serious health condition must obtain a health care provider's certification that the Employee is able to return to work upon cessation of the Employee's serious health condition. Job restoration may be delayed until the Employee provides such certification.

The Company reserves the right to require periodically that Employees provide the Company with recertification of the medical condition for which Leave is taken. The Company also reserves the right to inquire periodically as to the Employee's intent to return to work.

6. Intermittent or Reduced Schedule Leave:

Leave taken because of the Employee's or Employee's Family Member's serious health condition may be taken on an intermittent or reduced schedule basis when medically necessary. A form is available from the Employee Benefits Department which must be completed for approval of intermittent or reduced schedule Leave. The Employee shall schedule such time off in the manner least disruptive of the Company's operation. An Employee seeking Leave on an intermittent or reduced basis shall advise the Company of the reasons why the intermittent or reduced schedule Leave is necessary and of the treatment schedule for serious health

## *Appendix O – Family and Medical Leave Policy (cont.)*

condition (if applicable), in addition to providing the other notice required for Leave under this policy. Employees away from their job as a result of an Intermittent or reduced schedule Leave are still subject to the Company's reporting off rules.

The Company may require an Employee taking intermittent or reduced schedule Leave to transfer during the term of the intermittent or reduced schedule Leave to an alternative available position for which the Employee is qualified (or modify an Employee's existing job) as long as the interim position has equivalent pay and Benefits, and better accommodates the Employee's recurring periods of Leave.

As its sole discretion, the Company may permit Leave to be taken on an intermittent or reduced schedule basis for the birth of a child, or for placement of a child with the Employee for adoption or foster care.

### 7. Insurance

During the Employee's Leave, the Company will continue to provide insurance coverage, including health, dental and life insurance; however, the Employee will remain personally responsible for the Employee's portion of the insurance premium, if any. To the extent the Employee is responsible for paying any premiums for insurance coverage, payment will be deducted from the Employee's first payroll check following the Employee's return to work.

The Employee may be personally liable for any insurance premiums paid by the Company during a Leave if the Employee fails to return to work following the Leave, unless the failure to return to work is caused by circumstances beyond the Employee's control. Any such insurance premiums paid by the Company which have not been reimbursed by the Employee may be deducted from any and all moneys due and owing from the Company to the Employee, including, but not limited to, wages, unused vacation pay, gainsharing, profit sharing, etc.

For COBRA purposes, the qualifying event date for COBRA coverage shall be the date Leave began. The

*Appendix O – Family and Medical Leave Policy (cont.)*

COBRA acceptance or rejection notification period shall begin on the date the Employee notifies the Company that he or she does not intend to return to work, or the date that the Leave is scheduled to end, whichever is earlier.

A Leave shall not constitute a break in the Employee's length of continuous service and the period of such Leave shall be included in an Employee's length of continuous service under the Basic Labor or Benefit Agreements.

8. Job Restoration:

Upon return from Leave, the Employee shall be entitled to return to employment in accordance with the appropriate seniority provisions of the Basic Labor Agreement with no loss in plant continuous service or Benefits.

9. Good Faith Efforts:

In the event problems develop in implementing this Appendix, whether as a result of changes in the law or regulations or otherwise, the parties agree to use their best efforts to resolve them in a manner designed to assure minimal disruption to the operation, minimize absenteeism and provide an Employee the time necessary to meet family and personal emergencies and obligations.

**APPENDIX P  
WORK AND FAMILY**

**Harry E. Lester  
Chairman, Union Negotiating Committee  
Director – USWA District 2**

**This will confirm our agreement concerning work and family needs.**

**The Company and the Union recognize the changing needs of working families, particularly in regard to child-care, elder care and dependent care. They also recognize that the specific needs of each employee are highly individualized, and that employees may need assistance in finding effective responses thereto.**

**Therefore, the Company and Union at each Plant will designate representatives to review and assess the work and family concerns of employees at their facility. Such representatives will assess the extent of the needs there and attempt to develop effective responses to those needs.**

**In furtherance of their commitment to this joint effort, the Company and the Union will each designate a contact to provide guidance and assistance to the local representatives upon request.**

**Within one year of the effective date of the 1999 Labor Agreement, the local representatives will:**

- Determine the extent of needs at their plant;**
- Gather information concerning public agencies, private concerns and other resources within the appropriate community and make such material available to any interested employee, upon request;**
- Consider alternative responses and implement them, where appropriate; and**
- Report findings to their respective Union and Company contacts, who will disseminate the information to other plants with similar needs that require effective responses.**

**Leon L. Judd**  
**Vice President**  
**Human Resources**  
**National Steel Corporation**

**APPENDIX Q  
MEMORANDUM OF UNDERSTANDING  
ON LINES OF PROGRESSION**

The Company and the Union agree that where appropriate the Company may at its discretion designate lines of progression for certain positions in the following Divisions:

- Engineering, Maintenance & CPC
- Quality Assurance
- Purchasing
- Planning, Scheduling and Inventory Control
- Financial Services
- Human Resources
- Operations Support

The parties further agree that such jobs in the line of progression, and the seniority, bid and bump rights attendant thereto shall be determined by mutual agreement of the parties. Such mutual agreement shall not be unreasonably withheld.

**APPENDIX R  
MEMORANDUM OF UNDERSTANDING SPLIT SCHEDULES**

The Company and the Union agree that split schedules are disruptive to the family life of the employees. In the spirit of improving employee/Company relations, the parties agree a diligent effort will be made to eliminate/reduce split schedules, while at the same time consider the overall efficient operation of the plants and the seniority rights of the employees. Split schedule problems exist on some operations regularly and in some operations periodically.

Designated Union representatives in each Local Union will meet with the Company to resolve the problems either as they occur or in those operations that regularly have split schedules within sixty (60) days following ratification of the contract. The Manager of Labor Relations will facilitate this process with the departments in question.

A written report of their findings, suggested solutions, and plans to resolve the specific problem will be drafted and signed off on by both parties.

If a satisfactory solution cannot be reached, each party will submit a report in writing outlining the operation involved, examples of the schedules, the Union's solution, and the Company's justification for continuing the specific split schedules.

The written submission will be reviewed by the Union and the Company Negotiating Committee Co-Chairmen, who will be charged with the responsibility of resolving such dispute.

**APPENDIX S  
MEMORANDUM OF UNDERSTANDING ON TESTING**

The parties agree to the following understanding on testing:

1. While the Union preserves fully its right to challenge through the grievance procedure the present or future use of tests, the Union and the Company agree that where tests are used by the Company as an aid in making determinations of the qualifications of an employee, such a test must in any event be a job-related test. A job-related test, whether oral, written or in the form of an actual work demonstration, is one which measures whether an employee can satisfactorily meet the specific requirements of that job including the ability to absorb any training which may necessarily be provided in connection with that job. A written test may not be used unless the job requires reading comprehension, writing or arithmetical skills, and may be used to measure the comprehension and skills required for such job.
  
2. In the case of manning new facilities, transfers from one agreed-upon seniority area to another and transfer from one plant to another, the parties have agreed in specific provisions of the seniority section of the Basic Agreement that an employee may be required to have the ability to progress. To the extent that such a requirement is applicable, the parties agree that an employee may be tested as an aid in determining whether he can qualify for the job he is seeking and, in addition, is likely to become qualified to perform the next higher job in the line of progression or promotional sequence. Such testing shall be job-related as described above and specifically directed toward measuring the actual knowledge or ability that is a prerequisite to becoming satisfactorily qualified on the next higher job in the line of progression or promotional sequence, taking into consideration the normal experience acquired by employees in such promotional sequence.

This provision is subject to the provisions in Section 13 of the Great Lakes Division Agreement.

3. All tests shall be:
  - a. Fair in their makeup and in their administration;

*Appendix S – Memorandum of Understanding on Testing (cont.)*

- b. Free of cultural, racial or ethnic bias.
- 4. Testing procedure shall in all cases include notification to an employee of his deficiencies and an offer to counsel him as to how he may overcome such deficiencies.
- 5. Where a test is used by the Company as an aid in making a determination of the qualifications of an employee and where the use of the test is challenged properly in the grievance procedure, the following is hereby agreed to:
  - a. The Company will furnish to a designated representative of the International Union a copy of the disputed test and all such background and related materials as may be relevant and available.
  - b. All such tests and materials will be held in strictest confidence and will not be copied or disclosed to any other person; provided that such tests and materials may be disclosed to an expert in the testing field for the purpose of preparation of the Union's position in the grievance procedure and to an arbitrator, if the case proceeds to that step. All tests and materials will be returned to the Company following resolution of the dispute.
  - c. Copies of transcripts and exhibits presented in the arbitration of cases involving the challenge to a test will also be held in strictest confidence and will not be copied or otherwise published.

**APPENDIX T**  
**MEMORANDUM OF AGREEMENT ON FUNCTIONS**  
**AND DUTIES COMMON TO BARGAINING AND**  
**NON-BARGAINING UNIT EMPLOYEES**

The following is a letter of understanding between Great Lakes Division of National Steel Corporation and the United Steelworkers of America Local Union pursuant to Section 2.A of this Agreement.

Work which is incidental to duties of members of Management on a job normally performed by such persons, even though similar to duties found in the jobs in the bargaining unit, shall not be affected by this provision to the extent such work is normally performed. Management shall not extend its prerogative to have such work performed by members of Management. The following are some examples of functions and duties which are common to both bargaining unit employees and non-bargaining unit employees. This listing is not intended to be all inclusive:

- Performance of analytical functions, compiling statistics, writing reports, developing and implementing procedures,
- Use of computers and related equipment to include software packages, programs, data bases, etc.,
- Using duplicating equipment, etc.,
- CIP reporting and tracking,
- Month-end closing/reporting responsibilities,
- Reviewing production schedules, comedowns, shipping reports, order status, etc.
- Performing activities to meet deadlines, i.e., payroll closings, billings, etc.

If a supervisor performs work in violation of this Memorandum and the employee who otherwise would have performed this work can reasonably be identified, the Company shall pay such employee the applicable standard hourly equivalent salary rate for the time involved or for four (4) hours, whichever is greater.

**APPENDIX U  
AUTOMATION**

- 1. When the installation of, or use of, computers, computer software, process control systems, mechanical or electronic equipment, or new or existing technology may have an effect on the job status of the represented employees at any bargaining unit location covered by this Agreement, the Company shall review the matter with the Local Union Grievance Committee at least ninety (90) days in advance of the date on which job status may be affected. The Company shall provide the final details, such as the jobs and employees involved, at least thirty (30) days in advance of the date on which the job status of represented employees will be affected. Should such equipment have an effect on the job status of represented employees after its initial installation the provisions of this section shall be followed.**
- 2. In such cases, the Company shall provide at no cost to the employee reasonable training arrangements for the employees affected by such Installation in order that such employees may have an opportunity to become qualified to use such equipment or re-qualified for available jobs in the bargaining unit.**
- 3. In those instances where such equipment or technology is to be delivered to a plant in advance of the date when its ultimate effects, if any on the job status of represented employees are known, the Company will advise the Local Union Grievance Committee concerned prior to the delivery date when such delivery date is known.**

**APPENDIX V  
TEMPORARY EMPLOYEES**

In recognition that there may be a need for temporary employees in connection with the attrition created as a result of the servance and pension window and possible position eliminations described in the parties' 1992 Settlement Agreement dated June 8, 1992, and in recognition that it may be to the parties' mutual advantage to make use of temporary employees in those situations, the parties agree as follows:

Should the Company anticipate a need for a temporary employee to exceed the 90 working day period as described in the Temporary Employee provision of the BLA, and that need is in connection with the implementation of the Settlement Agreement described above, the following procedure shall be applicable.

The Company shall meet with the Local Union President, Chairperson of the Grievance Committee, and the Staff Representative at the location. They shall jointly develop a plan to facilitate the use of the temporary employee and shall mutually agree to the duration, position, and any other relevant issues concerning the extension.

The parties recognize that there may be occasions where the need for a temporary employee may exceed one (1) year in duration. Therefore, the parties may consider a modification to the Employment Security Plan whereby the eligibility requirement for a newly hired temporary employee to gain the protection of that provision may be expanded to two (2) years of service. All other provisions of the Employment Security Plan will remain unchanged. In no event shall the parties be empowered to consider any extension beyond a total of two (2) years.

Should the parties be unable to reach a mutually acceptable understanding in regards to an extension, they may refer the matter in writing to the Co-Chairmen of the USWA/National Steel Negotiating Committee or their designees. The Co-Chairmen will review the respective positions and make a determination within five (5) working days.

**APPENDIX W  
COMPENSATORY TIME OFF**

The Company will issue a memo to Supervision indicating that they are responsible for documenting and maintaining records regarding compensatory time off. Such records will be made available, through Labor Relations to Union Representatives when a specific individual issue warrants the request.

**APPENDIX X  
RATE RETENTION**

Effective as of the implementation date of this Agreement, any represented O&T employee who as a result of involuntary vacating a permanent vacancy, and who by the subsequent exercise of seniority rights to the highest rated job the employee is entitled to hold, is unable to obtain a job which is rated equal to or greater than the job vacated, shall be paid a rate of pay equal to the rate of the job initially vacated (Rate Retention) for all hours worked on the lower rated job, provided that the employee continues to exercise seniority rights to promotions, including jobs rated equal or greater than the job initially vacated. Such rate protection shall not apply to those employees involuntarily removed from their job as a result of discipline, negligence/incompetence or physical disability/insufficiency, etc. or to employees displaced as a result of employees returning to their bid job following an absence, including employees affected by any subsequent bumps caused by such employee's return.

During the period of time that an employee is receiving rate retention, said employee shall be subject to assignment throughout the plant provided that said assignment does not violate the seniority rights of other employees not participating concurrently in this Agreement.

Employees that have previously incurred a reduction in pay rate, as a result of a seniority event described above, shall be paid a rate equivalent to the job initially vacated. Such payments shall commence with the implementation date of this Agreement and not be retroactive. In addition, such employees shall be subject to all the terms of this Agreement.

**APPENDIX Y  
LETTER AGREEMENT ON WORKPLACE VIOLENCE**

**Harry E. Lester  
Chairman Union Negotiating Committee  
Director, USWA District 2**

**Dear Mr. Lester:**

**This will confirm our understanding that the Joint Safety and Health Committees at each plant will receive training on how to deal with workplace violence situations and form that specific training, the Joint Safety and Health Committees will develop specific contacts on the subject which will be communicated to all employees.**

**Very truly yours  
Leon L. Judd  
Vice President  
Human Resources**

**APPENDIX Z  
LETTER AGREEMENT ON  
WORKPLACE HARASSMENT AND PREVENTION**

**Harry E. Lester  
Chairman Union Negotiating Committee  
Director – USWA District 2**

**Dear Mr. Lester:**

**This will confirm our agreement, reached during the negotiation of the 1999 labor agreement, concerning Workplace Harassment Awareness and Prevention.**

**The Company and the Union recognize that every employee has a right to a work environment free of harassment or intimidation on the basis of any of the categories listed in the non-discrimination provision of Section 4-8. The parties understand that harassment can have a detrimental impact on individual employees, generate a hostile working environment, and adversely affect the ability of the workforce to function in a cooperative and productive manner. One of the best means of addressing these issues is through awareness and education which can prevent problems before they occur by ensuring that all employees know and understand what constitutes impermissible harassment, and know how to prevent it.**

**Accordingly, the parties agree to educate all employees at all facilities in the area of harassment awareness and prevention on a periodic basis, as agreed to be appropriate by the local parties.**

**A representative of the USWA Civil Rights Department and a representative designated by the Company's Human Resources Department will work together to develop harassment awareness and prevention education with input from the Plants and Local Unions. Within six (6) months of the effective date of this agreement, appropriate personnel at each Plant will then be trained as trainers, with input from the Joint Committee on Civil Rights.**

**Within one (1) year of the completion of local trainers' training, the following training for all Plant employees will**

be implemented:

1. To effectively address the issue of harassment and its detrimental impact on individual employees and the workforce, all employees will be scheduled for a one (1) to two (2) hour training session as to what harassment is, why it is unacceptable conduct, its consequences for the harasser and what steps can be taken to prevent it. This training will be done, to the extent possible, within work groups.
2. The local union president, vice president, grievance committee persons, assistant grievance committee persons and civil rights committee members will be scheduled for additional training dealing with their obligations in regard to harassment, including such things as early recognition of harassment how to resolve such issues and how to promote a harassment-free environment. The additional training will be scheduled at a time mutually agreed-to between the local union president and Director, Human Resources.

All bargaining unit employees shall be compensated for time spent attending these sessions in accordance with established local practices.

Sincerely,  
Leon L. Judd  
Vice President – Human Resources  
National Steel Corporation

Confirmed:  
Harry E. Lester  
Chairman, Union Negotiating Committee

**APPENDIX AA  
JUSTICE AND DIGNITY**

- A. Management, after converting a disciplinary suspension to discharge, or imposing a suspension, shall not remove the affected employee from active work on the job to which his seniority entitles him upon such conversion or imposition prior to a final determination of the merits of the discharge or suspension in accordance with the applicable provisions of the Basic Labor Agreement should the employee elect to file a complaint or grievance protesting management's decision. For purposes of the operation of the option not to be removed from the job pursuant to this procedure, a complaint or grievance protesting a discharge or suspension must be filed within five (5) calendar days after notice of the conversion to discharge or imposition of the suspension, as the case may be. In the event no complaint or grievance is filed within such time limit, the Company will not suspend or remove the affected employee from active work on the job to which his seniority entitled him prior to the day following expiration of the time limit set forth in this paragraph. For any purpose other than operation of the option set forth above, the time limits for filing a complaint or grievance protesting a discharge or suspension shall continue to be those set forth in the basic Labor Agreement.**
- B. The parties recognize that it is essential that a proper balance be maintained between the right of an employee to be retained under this procedure and the right of Management to manage the plant. Accordingly, to ensure that balance, this procedure will be inapplicable to discharges or suspension involving any offenses which endanger the safety of other employees or members of supervision or the plant and its equipment. Such offenses shall include, but are not limited to: theft, use and/or distribution on Company property of drugs, narcotics, and/or alcoholic beverages; possession of firearms on Company property; destruction of Company property; threatening bodily harm to, and/or striking, a member of supervision; fighting; and such insubordination as endangers the safety of other**

**employees or members of supervision or the plant and its equipment. In addition, this procedure will be inapplicable to a discharge or suspension involving activity prohibited by the provisions of Section 4-2 of this Agreement.**

- C. When an employee is retained pursuant to Paragraph A, and the employee's discharge or suspension is finally determined in the grievance procedure or in arbitration to be for just cause, the removal of the employee from active employment rolls shall be effective for all purposes the day following the date of final resolution of the grievance.**
- D. While a discharged employee is retained at work pursuant to Paragraph A and the employee is discharged again for a repeat of the same conduct, the employee will no longer be eligible to be retained at work under these provisions. Such removal from work will be effective on the day of the subsequent suspension.**
- E. Nothing in this procedure shall restrict or expand Management's right to relieve an employee for the balance of such employee's shift under the terms of the Basic Labor Agreement.**

## NOTES