

2545

# AGREEMENT

1,800 ee

between

United States Steel  
Corporation

and the

United Steelworkers  
of America

Salaried Office and Technical Employees

May 20, 2003 - Sept 1, 2008

Pittsburgh, Pennsylvania



211 pages

- (6) If the Grievance Chair disagrees with the accuracy of the minutes, s/he shall submit a signed written response to the Company covering points of disagreement within ten (10) days of the receipt of the Step 2 minutes. 5.H.15
- (7) The Company shall send a copy of its version of the Step 2 minutes and any Union response to the designated representative of the International Union (the International Representative) and the Grievance Chair upon its receipt of the Union response. 5.H.16
- c. Step 3 - Written
- (1) The International Representative shall send a written appeal of a Step 2 Answer to the Company Step 3 Representative within five (5) days of the receipt of the Step 2 Minutes. 5.H.17
- (2) The International Representative, the Grievance Chair and the Company Step 3 Representative shall meet at a mutually acceptable time within fifteen (15) days of the Company's receipt of the International Representative's appeal. 5.H.18
- (3) Grievances discussed at such meeting shall be answered in writing and sent to the International Representative within five (5) days after such meeting. 5.H.19
- (4) The International Representative may appeal a grievance to arbi- 5.H.20

tration by sending a written notice to the Board of Arbitration and the Company Step 3 Representative within ten (10) days of the Union's receipt of the Step 3 written answer.

- (5) With respect to discipline cases involving suspensions of five (5) days or less, the International Representative shall appeal the grievance to Mini-Arbitration pursuant to procedures provided in Paragraph 10 below. 5.H.21

4. General Provisions

- a. The Company shall provide reasonable forms for filing and appealing grievances and documenting the Step 1 and Step 2 written records. 5.H.22
- b. The Company and the Union shall provide each other with updated written lists of their Step 1, Step 2 and Step 3 representatives and their designees who shall have the authority to settle grievances at their respective steps and, for the grieving Party, to withdraw or appeal such grievances. 5.H.23
- c. At each Step of the grievance procedure the Parties shall provide a full and detailed statement of the facts and provisions of the Agreement relied upon and the grieving Party shall provide the remedy sought. Facts, provisions or remedies not disclosed at or prior to Step 3 of the grievance procedure may not be presented in arbitration. 5.H.24
- d. The settlement or withdrawal of a grievance prior to Step 3 shall be 5.H.25

without precedent or prejudice to either Party's position.

- e. Any grievance filed directly in Step 2 or higher shall be initiated within thirty (30) days of the event upon which the grievance is based, or the date on which such event should reasonably have become known. 5.H.26
- f. Except as otherwise provided in the BLA, all grievances shall be initiated at Step 1 and grievances which are not initiated in the proper step shall be referred there for processing. 5.H.27
- g. A single grievance may be processed with the facts of alleged additional violations presented as well, in order to avoid the necessity of filing multiple grievances on the same subject or event or concerning the same alleged contract violation which occurred on different occasions. Additional claimants shall sign a special form to be supplied by the Company for this purpose. When the original grievance is resolved, the additional claims shall be reviewed in light of the resolved grievance. If the additional claims are not settled, they shall be considered as grievances and processed accordingly. 5.H.28
- h. In the case of a grievance that involves a large group of Employees, a reasonable number may participate in any discussion of the grievance. 5.H.29
- i. In any award or settlement involving cash payments amounts not paid within thirty (30) days of the date when the Parties identify the payees and the amount due to each payee 5.H.30

will accrue interest from the date of settlement at the same rate as established at the local Federal Credit Union.

- j. If, for any reason, the time limits specified in Paragraph 3 above for: 5.H.31

(1) meetings between the Parties are not met, the grievance shall be considered denied as of the last day within the time limit for such meeting and the appropriate Union representative shall have the right to move the grievance to the next step; 5.H.32

(2) the Union to act are not met, the grievance shall be considered withdrawn; or 5.H.33

(3) the Company to act are not met, then the grievance shall be considered granted with the requested appropriate contractual remedy to the grieving Party. 5.H.34

Neither Party shall seek to enforce the above time limits unless the appropriate representative of the defaulting Party is notified in writing and provided not less than six (6) days to take the required action. 5.E.35

By mutual agreement and for good cause, reasonable extensions of time will be given either Party in writing; agreement to such extension of time shall not be unreasonably denied. 5.E.36

- k. An Employee who is summoned to meet with a Company representative for the purpose of discussing possible disciplinary action shall be enti- 5.H.37

tled to be accompanied by his/her Union Representative. If the Union Representative is not available for such meeting, the Employee may elect to defer such meeting for the time necessary to secure his/her attendance.

- l. No Employee shall be required to submit to a lie detector test. The results of lie detector tests will not be used by the Company or the Union. 5.H.38
- m. Notwithstanding anything to the contrary, the grievance procedure may be utilized by the Union with or without an individual grievant to allege a violation of the obligations of the Company to the Union. Such grievances shall be filed in Step 2. 5.H.39
- n. In the event an Employee dies, the Union may process his/her grievance on behalf of his/her heirs. 5.H.40
- o. The Chair of the Union Negotiating Committee, the District Director and the International Representative shall have access to the Plant at reasonable times to investigate issues involving grievances with which they are concerned. 5.H.41
- p. In the event a grievance is sustained or granted at arbitration, the Company will pay for all lost time for the grievant and the designated Union representative for participation in Steps 1, 2 and 3 of the grievance procedure in accordance with local Plant understandings. 5.H.42

5. Grievance Committee

- a. The Union shall provide the Company with an updated written 5.H.43

list of individuals who comprise its Grievance Committee, including a chair and a secretary. The number of members of the Committee at each Plant shall be agreed upon by the Plant Manager or his/her designee and the Local Union President/Unit Chair, but in no case shall there be less than three (3) nor more than ten (10) members, in addition to the Grievance Chair and Secretary, and no more than one member of the Committee shall be from any one department (excluding the Grievance Chair and Secretary). Committee members will be afforded time off upon reasonable notice and approval to:

- (1) attend scheduled committee meetings; 5.H.44
  - (2) attend meetings pertaining to suspension or discharge or other matters which cannot reasonably be delayed; and 5.H.45
  - (3) visit departments at reasonable times for the purpose of transacting the legitimate business of the Grievance Committee after notice to the head of the department to be visited and after reasonably granted permission from his/her own department head if the Grievance Committee member is at work. 5.H.46
- b. Where the Grievance Committee so decides, the Assistant Griever may be designated to aid the Committee. The Union shall provide the Company with an updated written 5.H.47

list of such individuals, not to exceed one (1) for every 150 Employees. Each Assistant Griever shall:

- (1) be limited to the handling of grievances in Step 1 within the Plant unit represented by him/her; and 5.H.48
- (2) upon reasonable notice to and reasonable approval by his/her immediate supervisor, be afforded time off to investigate the facts essential to the settlement of any grievances. 5.H.49

6. Board of Arbitration

- a. The Parties shall continue for the term of this Agreement the Board of Arbitration (the Board) consisting of one (1) mutually agreed upon Chairperson. The Parties shall utilize an agreed upon number of Arbitrators to hear grievances who shall serve with the mutual agreement of the Parties. In the event of the resignation, incapacity or death of the Chairperson of the Board, the Parties shall promptly agree upon a successor. 5.H.50
- b. The Board shall have the authority to hear and decide any grievance appealed in accordance with this Section I as well as disputes concerning the Insurance Agreement. The Board shall not have jurisdiction or authority to add to, detract from or alter in any way the provisions of this Agreement or the Insurance Agreement. 5.H.51
- c. The Board, after consultation with the Company and the Union and subject to the procedures described 5.H.52



in this Paragraph, shall adopt rules and regulations to govern its procedure and administration.

- d. A decision of the Board shall be final and binding upon the Company, the Union and all Employees concerned. 5.H.53
- e. Where the Parties are in disagreement with respect to the meaning and application of a decision, either Party may apply to the Board for a compliance hearing in accordance with rules that the Board shall prescribe. Such application shall be given priority and be resolved by the Board within thirty (30) days. 5.H.54
- f. Expenses connected with the administration of the Board shall be shared equally by the Company and the Union. 5.H.55
- g. If this Agreement is violated by the occurrence of a strike, work stoppage, or interruption or impeding of work at any Plant or subdivision thereof, the Board shall refuse to consider or decide any cases concerning Employees at such Plant involved in such violation while such activity is in effect. 5.H.56

## 7. Arbitration Hearings

- a. Thirty (30) days prior to the start of each calendar quarter the Board shall provide the Parties with a calendar listing hearing dates for that quarter and be responsible for scheduling the hearings. 5.H.57
- b. The hearings shall be scheduled as required at each location, as close to the Plant site as is reasonable. 5.H.58

- c. On each hearing date the Parties shall, subject to the time available, attempt to present all cases scheduled for arbitration. The cases, unless agreed otherwise, shall be scheduled in the order in which they were appealed, provided that all pending discharge cases shall be scheduled first, and provided further that either Party may seek agreement from the other to have a case scheduled out of order for good cause, such request not to be unreasonably denied. 5.H.59
- d. Failure to present a case at a scheduled hearing shall constitute withdrawal of the grievance and failure to respond to a case when presented shall constitute granting of the grievance and agreement to the remedy sought, provided that a hearing may be postponed once if the Board determines that circumstances clearly require postponement. However, the Parties may agree to postpone a grievance scheduled for arbitration. 5.H.60

8. Rules for Hearings

- a. The Parties agree that the prompt resolution of cases brought to arbitration is of the highest importance. Therefore, arbitration hearings shall be heard in accordance with the following rules: 5.H.61
- (1) the hearing shall be informal; 5.H.62
- (2) pre-hearing briefs shall be filed in accordance with current practices, and post hearing briefs may be filed by agreement or by order of the Board following a request by either Party; 5.H.63

- (3) there shall be no transcripts made unless the Parties agree otherwise; 5.H.64
  - (4) there shall be no formal evidence rules; 5.H.65
  - (5) the arbitrator shall have the obligation of assuring that the hearing is, in all respects, fair; 5.H.66
  - (6) the Board shall issue a decision no later than thirty (30) days after conclusion of the hearing. The decision shall include a brief written explanation of the basis for the conclusion; and 5.H.67
  - (7) the Board shall adopt such other rules as it deems necessary. 5.H.68
- b. The Company agrees that it shall not, in an arbitration proceeding, subpoena or call as a witness any bargaining unit Employee or retiree. The Union agrees not to subpoena or call as a witness in such proceedings any non-bargaining unit employee or retiree. 5.H.69
- c. The proposals made by each Party with respect to changes in the Basic Labor Agreements and the discussions had with respect thereto shall not be used, or referred to, in any way during or in connection with the arbitration of any grievance arising under the provisions of the Basic Labor Agreement. 5.H.70

9. Suspension and Discharge Cases

a. Suspensions of Four Days or Less

- (1) The affected Employee may grieve suspensions of four (4) calendar days or less directly to 5.H.71

Step 2 of the Grievance Procedure within five (5) days of receiving notice of the suspension. Thereafter, the grievance will be processed in accordance with the regular Grievance Procedure described in Article Five, Section I(3).

- (2) An initial suspension for not more than four (4) calendar days to be extended or converted into a discharge must be extended or converted within the four (4)-day period, in which case the five (5)-calendar day period for requesting a preliminary hearing described below shall begin when the Employee receives notice of such extension or discharge. 5.H.72

b. Suspension and Discharge Procedure

- (1) An Employee shall not be peremptorily discharged. In all cases in which the Company may conclude that an Employee's conduct may justify suspension or discharge, he shall be suspended initially for not more than five (5) calendar days. 5.H.73
- (2) Before imposing a suspension or discharge, the Company shall give written notice of the suspension or suspension subject to discharge to the affected Employee. A copy of the discharge or suspension notice shall be promptly furnished to such Employee's Grievance Committeeman. 5.H.74

- (3) The affected Employee may request in writing and shall be granted a preliminary hearing within five (5) days of the issuance of the notice of suspension. Such hearing shall be held within five (5) days after the Company receives the Employee's request. The Employee may choose to have the Grievance Committeeman present at the hearing. 5.H.75
- (4) The pertinent facts concerning the suspension shall be made available and discussed by each party at the preliminary hearing. 5.H.76
- (5) After the preliminary hearing, or if no such hearing is requested, the Company may affirm, revoke, extend or modify the suspension or convert the suspension to a discharge. The Company shall provide notice of its decision to the affected Employee and the Grievance Chair within five (5) days of the preliminary hearing, or, if no hearing is requested, within five (5) days of the expiration of the time to request such hearing. 5.H.77
- (6) The affected Employee may file a grievance directly to Step 2 within five (5) days of receiving notice of the Company's decision. Thereafter, the grievance will be processed in accordance with the regular Grievance Procedure described in Article Five, Section I(3). 5.H.78

c. Justice and Dignity

- (1) In the event the Company imposes a suspension or discharge and the Union files a grievance within five (5) days after notice of the suspension, or in the case of a suspension subject to discharge requests a preliminary hearing pursuant to Paragraph 9(b)(3), the affected Employee shall remain on the job to which his/her seniority entitles him/her until there is a final determination on the merits of the case. 5.H.79
- (2) This Paragraph will not apply to cases involving offenses which endanger the safety of employees or the Plant and its equipment, including, but not limited to, use, possession and/or distribution on Company property of drugs, narcotics and/or alcoholic beverages; possession of firearms or weapons on Company property; destruction of Company property; insubordination as endangers the safety of other employees or members of supervision or the Plant and its equipment; threatening bodily harm to, and/or striking another employee; theft; violation of a last chance agreement; or activities prohibited by Article Five, Section K (Prohibition on Strikes and Lockouts). 5.H.80
- (3) When an Employee is retained pursuant to this Paragraph 9(c) and the Employee's discharge or 5.H.81

suspension is finally held to be for proper cause, the removal of the Employee from the active rolls shall be effective for all purposes as of the final resolution of the grievance.

(4) When a discharged Employee is retained at work pursuant to this Paragraph and is discharged again for a second offense, the Employee will no longer be eligible to be retained at work under these provisions. 5.H.82

d. The Company will not make use of any personnel records of previous disciplinary action against the Employee involved where the disciplinary action occurred three (3) or more years prior to the date of the event which is the subject of suspension or discharge. 5.H.83

e. Should the Board determine that an Employee has been suspended or discharged without proper cause, the Board shall have the authority to modify the discipline and fashion a remedy warranted by the facts. 5.H.84

f. Nothing in these provisions shall restrict or expand the Company's right to relieve an Employee for the balance of such Employee's shift under the terms of the Agreement. 5.H.85

#### 10. Mini-Arbitration

a. Notwithstanding any other provision of this Agreement, the following mini-arbitration procedure is designed to provide prompt and efficient handling of grievances concerning written reprimands or sus- 5.H.86

pensions of five (5) days or less, excluding discipline for concerted activity.

- b. The mini-arbitration procedure shall be implemented in light of the circumstances existing in each Plant, with due regard to the following: 5.H.87

(1) The International Representative of the Union designated pursuant to the Basic Labor Agreement may appeal a grievance by written notice served simultaneously on the Administrative Secretary of the area panel and the Company's Step 3 Representative within ten (10) calendar days of receipt of the Company Step 3 Answer. If the grievance is not so appealed to the mini-arbitration procedure, it shall be considered withdrawn. 5.H.88

(2) Hearings shall be held one (1) day per calendar month, provided at least three (3) grievances have been appealed to mini-arbitration. The Administrative Secretary of the area panel shall schedule the hearing at a date, time and place, mutually agreed to by the Parties. Thereafter the rules of procedure for mini-arbitration shall apply. 5.H.89

- c. The hearings shall be conducted in accordance with the following: 5.H.90

(1) The hearing shall be informal. 5.H.91

(2) No briefs shall be filed or transcripts made. 5.H.92



- (3) There shall be no formal evidence rules. 5.H.93
  - (4) Each Party's case shall be presented by a previously designated local representative. 5.H.94
  - (5) 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. 5.H.95
  - (6) 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 back to the Step 3 and it shall be processed as though appealed on such date. 5.H.96
- d. The arbitrator shall issue a decision no later than forty-eight (48) hours after conclusion of the hearing (excluding Saturdays, Sundays and Holidays). His decision shall be based on the records developed by the Parties before and at the hearing and shall include a brief written explanation of the basis for his conclusion. These decisions shall not be cited as a precedent in any discussion or at any step of the grievance or arbitration procedure. Should it be determined by the arbitrator that an Employee has been suspended for proper cause, the arbitrator shall not have jurisdiction to modify the degree of discipline imposed by the Company. 5.H.97

- e. Any grievance appealed to this mini-arbitration procedure must be confined to issues which do not involve novel problems and which have limited contractual significance or complexity. If the Union appeals a grievance to the Board of Arbitration under circumstances where it is clear from the issue embodied in the grievance that jurisdiction to resolve the grievance lies solely within the min-arbitration procedure and should the Board conclude that it lacks jurisdiction over the grievance, the Union, after such award, may not thereafter appeal such grievance to min-arbitration; provided, however, that if it is unclear from the issue embodied in such grievance whether jurisdiction to resolve the grievance lies solely within the mini-arbitration procedure, but the Board concludes that it lacks jurisdiction, the Union may appeal such grievance to mini-arbitration within ten (10) days of the date of such award. 5.H.98

### **Section I. Management Rights**

The Company retains the exclusive rights to manage the business and Plants and to direct the working forces. The Company, in the exercise of its rights, shall observe the provisions of this Agreement. 5.I.1

The rights to manage the business and Plants and to direct the working forces include the right to hire, suspend or discharge for proper cause, or transfer, and the right to relieve employees from duty because of lack of work or for other legitimate reasons. 5.I.2

## **Section J. Prohibition on Strikes and Lockouts**

1. There shall be no strikes or work stoppages or the 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. 5.J.1
2. The applicable procedures of this Agreement will be followed for the settlement of all complaints or grievances. 5.J.2
3. There shall be no lockouts. 5.J.3
4. There shall be no intimidation or coercion of employees into joining the Union or continuing their membership therein. 5.J.4
5. There shall be no Union activity on Company time. Discussion of Union matters by Employees during authorized work breaks, which is not disruptive to Company business, shall not be deemed to be prohibited activity. 5.J.5

## **Section K. No Discipline for Wage Garnishments**

- No Employee shall be disciplined for having their wages garnished. 5.K.1

# **ARTICLE SIX - JOINT EFFORTS**

## **Section A. Partnership**

1. Purpose and Intent

The purpose of this Section is to create a framework for ongoing discussion between the Company and the Union about issues that arise during the term of 6.A.1

the BLA, including changes in the market or business conditions, adjustments to business strategy and Workplace Changes.

2. Access to Information

The Company shall provide the Union and its advisors with: 6.A.2

a. full and continuing access to its short and long-term operating and financial results and forecasts including inputs relevant to the development of them; 6.A.3

b. the earliest practicable notification and continuing updates of any contemplated material corporate transactions, including mergers, acquisitions, joint ventures and new facilities to be constructed or established; and 6.A.4

c. information and continuing updates on any proposed Workplace Change. 6.A.5

Access to and the use of this information will be covered by a reasonable confidentiality agreement. 6.A.6

3. Comprehensive Training and Education Program

a. Company and Union representatives shall receive ongoing training developed and conducted by their respective organizations in the application of this Section. 6.A.7

b. The Company shall fund all costs associated with joint training programs developed in accordance with this Section. 6.A.8

c. Any training that is attended by both Employees and managers shall be jointly developed and implemented. 6.A.9

#### 4. Mechanisms

The Parties agree to the following to carry out this Section. 6.A.10

##### a. Strategic Labor Management Committee

###### (1) Appointment and Composition

A Joint Strategic Labor Management Committee (Strategic Committee) shall be established consisting of for the Company: the Chief Executive Officer, Vice President of Employee Relations and the highest ranking official at each of the Company's facilities, and for the Union: the Chair of the Union's Negotiating Committee, the Secretary of the Union's Negotiating Committee, the District Director where each facility is located and the Local Union President(s) and Unit Chair(s) at each of the Company's facilities. Each side shall designate a Chair and provide the other with an updated list of its members of the Committee. 6.A.11

###### (2) Meetings

The Strategic Committee shall hold at least quarterly meetings in Pittsburgh (or at another location as agreed) of at least one (1) full day. These meetings will be for the purpose of reviewing and discussing the information described in Section A, Paragraph 2 above (it being understood that the Union Chair 6.A.12

will be updated more frequently regarding time-sensitive information) as well as other information and updates reasonably requested by the Union.

(3) Access to Board of Directors

The Union members of the Strategic Committee shall have the right to appear before and be heard by the Board of Directors on matters of concern to the Union. 6.A.13

b. Plant Labor Management Committees

(1) Appointment and Composition

The Parties shall establish a Plant Labor Management Committee (Plant Committee) at each of the Company's facilities. The Plant Committee shall be composed of an agreed upon equal number of (between two (2) and five (5)) Union and Company representatives. The Company members of a Plant Committee shall include the Plant Manager and others as the Plant Manager designates. The Union members shall include the Local Union President/Unit Chair and such other members as the Local Union President shall appoint. The Plant Manager and Local Union Presidents/Unit Chairs will be the Chairs. 6.A.14

(2) Meetings

The Plant Committee shall meet at least monthly. These meetings will be for the purpose of review- 6.A.15

ing and discussing information concerning the operations, results and outlook for the Company, with emphasis on the particular facility, as well as information concerning Workplace Changes.

c. Area Labor Management Committees

(1) The Plant Committee shall establish Area Labor Management Committees (Area Committees) in specific departments, operational units or divisions. The Area Committee Chair for the Union shall be the Grievance Committeeman/Committeemen for the area(s). The Chair for the Company shall be the Division Manager for the area (or his/her designee). Additional members of the Area Committee shall be drawn equally from the Company and Union. The Local Union President/Unit Chair (or designee) and the Plant Manager (or designee) may attend meetings of the Area Committees. 6.A.16

(2) The Area Committees shall provide a forum for exchange of information and discussion of issues related to operations and Workplace Changes. 6.A.17

d. The Parties may establish working groups at the shop floor level to meaningfully participate in decision making to support the Company's ability to be the lowest cost produc- 6.A.18

er of quality steel products and to improve the quality of worklife for Employees. The working groups will meet regularly to discuss such matters described in Section A, Paragraph 2 above. The guidelines for problem solving at the working group level will be developed by the Plant Labor Management Committee at each division to facilitate what problems and issues are appropriately addressed.

e. Problem Solving Teams

The Plant Committee or an Area Committee may create one or more Problem Solving Teams to study and report back on a specific problem or project. 6.A.19

f. Company-Wide Meetings

(1) In each calendar year the Parties will hold a two (2) day meeting (the first day for separate meetings for preparation) in proximity to a Company facility to review and discuss the information described in Paragraph 2 above with the Union's leadership at the Plants, Districts and International. 6.A.20

(2) The Strategic Committee shall agree on a level of disclosure appropriate for the group. 6.A.21

(3) Union participants shall include the Chair of the Union Negotiating Committee, Secretary of the Union Negotiating Committee, the District Director where each facility is located, Local Union 6.A.22



Presidents/Unit Chairs and Grievance Committee Chairs (or their designees) at each of the Company's facilities. Company participants shall include the Company's officers, Plant Managers and such others as the Company may designate.

5. Workplace Change

- a. The Plant Committee and relevant Area Committee shall be provided with the earliest practicable notification of any plan to significantly modify or change machinery, equipment, controls, materials, software, work organization or any other work process that would impact Employees (a Workplace Change). Such notification shall include:
- (1) a description of the purpose, function and established timetable of the Workplace Change, and how it would fit into existing operations and processes; 6.A.24
  - (2) the estimated cost of the proposed Workplace Change ; 6.A.25
  - (3) disclosure of any service or maintenance warranties or contracts provided or required by the vendor (if any); 6.A.26
  - (4) the number and type of Bargaining Unit jobs which would be impacted; 6.A.27
  - (5) the anticipated impact on the skill requirements of the workforce; 6.A.28

- (6) details of any training programs connected with the Workplace Change (including duration, content and who will perform the training); and 6.A.29
    - (7) the expected impact on job content, method of work, safety and health, training needs and the utilization of Outside Entities. 6.A.30
  - b. Union representatives on the Plant Committee and the relevant Area Committee may request and shall receive reasonable access to Company personnel knowledgeable about any proposed Workplace Change in order to review, discuss and receive follow-up information. 6.A.31
6. Safeguards and Resources
- a. No entity created under this Section may amend or modify the Basic Labor Agreement, recommend or effect the hiring or discipline of any Employee or take any action with respect to contractual grievances. 6.A.32
  - b. Service on any entity created under this Section shall be voluntary, and no Employee may be disciplined for lack of involvement or commitment to the matters covered under this Section. 6.A.33
  - c. Employee participation or training contemplated in this Section shall normally occur during normal work hours. 6.A.34
  - d. At the mutual invitation of the Chairs of any committee created under this Section, appropriate Union representatives and Company representatives may attend a committee meeting. 6.A.35

- e. All meeting time and necessary and reasonable expenses associated with any committee created under this Section shall be paid for by the Company and Employees attending such meetings in accordance with standard local Plant understandings. 6.A.36
- f. Joint committees may mutually agree to employ at the Company's expense experts from within or outside the Company as consultants, advisors or instructors and such experts shall be jointly selected and assigned. 6.A.37
- g. All Union participants involved in any and all joint activities under this Section, or in any other joint committee involving members of a Union bargaining unit, shall be chosen and removed from the process exclusively by the Chair of the Union Negotiating Committee and the District Director where the facility is located. 6.A.38
- h. All current improvement, involvement and joint programs may not conflict and, if necessary will be restructured to be consistent with this Section. Following the Effective Date, new improvement programs involving Employee participation may not be implemented without approval of the Union and, where implemented, shall operate in a manner consistent with this Section. 6.A.39
- i. This Section shall in no way diminish the Union's collective bargaining rights regarding changes in technology and work organization that impact Employees. 6.A.40

## **Section B. Public Policy Activities**

1. The Company and Union hereby agree to establish a jointly administered public policy fund (Public Policy Fund) meeting the following guidelines. 6.B.1
  - a. The purpose of the Fund shall be to: 6.B.2
    - (1) support public policies promoting the mutual interests of the Company and the Union on such subjects as health care, legacy costs, international trade, currency valuation, and other public policy issues of importance to the Parties; 6.B.3
    - (2) contribute to and promote greater cooperation between labor and management ; and 6.B.4
    - (3) assist the Company and Union in solving problems of mutual concern that are not susceptible to resolution through collective bargaining. 6.B.5
  - b. The Public Policy Fund will pursue its mission through labor-management cooperative endeavors such as public and political education, issue advocacy, research and the coordination of such activities with other like-minded groups. 6.B.6
  - c. The Fund will have a six-person Governing Committee. The Company representatives shall include the Chairman and Chief Executive Officer of the Company or his designee, and two other senior officers of the Company (or one other senior officer of the Company if the Chairman is not the CEO of the Company.) The Union representa- 6.B.7

tives shall include the International President of the USWA or his designee, the Secretary of the Union's Basic Steel Industry Conference and the USWA District Director serving as the Chair of the Union Negotiating Committee.

- d. The Public Policy Fund will be financed as follows: 6.B.8
  - (1) As of the Effective Date, an initial accrual of \$3.0 Million. 6.B.9
  - (2) Commencing on the Effective Date, an accrual of \$0.10 for each ton of steel shipped to third parties by the Company facilities covered by this Agreement. 6.B.10
- e. All activities of the Public Policy Fund shall be subject to approval by the Governing Committee, provided that : 6.B.11
  - (1) In the event that the Union members of the Governing Committee propose that the Union or its designee take responsibility for any or all aspects of the content, administration, delivery or implementation of any program or activities conducted under the auspices of the Fund, the Company members of the Governing Committee shall give recognition to the special advantages that such Union responsibility would contribute to such programs or activities including but not limited to the knowledge and experience of the Union, the familiarity of the Union with target audiences, and the added credibility 6.B.12

that Union responsibility would add to such programs or activities.

- (2) The document creating the Governing Committee will contain a procedure for the quick and binding resolution of any dispute over the administration, delivery or implementation of programs or activities conducted under the auspices of the Fund. 6.B.13

- f. It is expected that 50% of the per ton contribution shall be allocated to Stand Up For Steel as described in Paragraph 2 below; provided however, that upon the reasonable request of the Union, the allocation may be modified from time to time. The Parties will develop a report form to track accrued obligations and expenditures on a regular basis. 6.B.14

## 2. Stand Up For Steel

- a. The Company agrees to continue as a member of the Stand Up For Steel Labor/Management Committee (Stand Up For Steel). 6.B.15
- b. The Parties agree that Stand Up For Steel will serve as a focal point for industry-wide joint activities in combating unfair trade in steel, coke, iron ore and related products and other subjects as agreed to by the Parties. The Parties will continue to pursue other activities separately as appropriate and the funding and structure contemplated herein shall not be applicable to litigation to enforce the nation's trade laws. 6.B.16

- c. Stand Up For Steel will have a Governing Board consisting of an equal number of Union and Company representatives. The Board will be co-chaired by the President of the USWA and a CEO selected by the participating companies. 6.B.17
- d. All activities conducted under the banner of Stand Up For Steel shall be approved by the Governing Board. 6.B.18
- e. 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 in this Section. The Company agrees to work with the other participating companies so that the company representatives on the Governing Board will represent the interests of all participating companies. 6.B.19

### **Section C. Contract Coordinators**

In this BLA, the Parties have committed themselves to a number of joint undertakings crucial to the success of the Company, its Employees and the Union. In recognition of the crucial role being served by the Union in accomplishing the joint goals of the Parties, the Parties agree as follows: 6.C.1

- 1. The Chair of the Union Negotiating Committee shall select and direct ten (10) Contract Coordinators who shall be responsible throughout the Company for implementation and ongoing monitoring of joint undertakings of mutual interest to the Company and the Union. It is expected that Contract Coordinators will 6.C.2

visit each of the Company's locations on a regular basis in the performance of their duties.

2. Each Contract Coordinator shall be an Employee of the Company. The Contract Coordinator shall be compensated by the Company in the amount of the appropriate wages, benefits and other fringe benefits s/he would have earned during his/her normal course of employment with the Company, but for this assignment. In addition, each Contract Coordinator shall be reimbursed for reasonable out-of-pocket expenses including, but not limited to, travel (coach airfare, hotel and per diem) incurred in connection with this assignment, up to a maximum of \$40,000.00 per year, and as reasonably agreed to by the Company and the Union in advance of incurring such expense. In order to receive such lost time payments and expense reimbursements, supporting vouchers must be provided by the Contract Coordinator. 6.C.3

### **Section D. New Employee Orientation**

1. The Parties agree to continue the orientation of new Employees hired by the Company within the bargaining units covered by the Basic Labor Agreement. The New Employee Orientation Program shall continue to include the following: 6.D.1
  - a. an introduction of Plant Company officials, International Union officials and Local Union representatives as may be appropriate; 6.D.2
  - b. distribution and discussion of the BLA, including any relevant local agreements; 6.D.3



ARTICLE 6, Section D - New Employee Orientation (Contd.)

- c. discussion of safety and health programs and safe working procedures; 6.D.4
  - d. presentation and discussion on labor-management participation, problem solving, communications and the role of the Union and the workforce in quality and customer satisfaction; 6.D.5
  - e. discussion of the history and achievements of the United Steelworkers of America and the particular Local Union; 6.D.6
  - f. discussion of the structure of the United Steelworkers of America and the particular Local Union and the services that are provided by the various offices and committees; 6.D.7
  - g. presentation on the history of the Company and Plant; 6.D.8
  - h. review of the markets in which the Company participates, the products produced and the customers serviced; and 6.D.9
  - i. discussion of the structure of the Company, the Plant organization and the functions and services that are provided by the various departments. 6.D.10
2. This program shall be jointly presented, on Company time, to each new Employee of the Company during their probationary period. The Union will be allotted a portion of the program to address the new Employees as outlined below. 6.D.11
3. All costs associated with developing this Program shall be borne by the Company. 6.D.12

4. In addition the Company shall compensate each new Employee at their hourly equivalent Salary Rate of Pay, within the same timeframe as the joint orientation described above, to attend a four (4) hour orientation session conducted by the Contract Coordinators at a location designated by the Union. 6.D.13

## ARTICLE SEVEN - TRAINING

### Section A. Workforce Training Program

#### 1. Commitments

The Parties are committed to: 7.A.1

a. the Company's workforce being sufficiently skilled so that all Bargaining Unit Work can be performed in accordance with this Agreement by Employees; and 7.A.2

b. Employees receiving sufficient training to allow for all reasonable opportunities to progress within the workforce and maximize their skills to the greatest extent possible. 7.A.3

#### 2. Plant Training Committees

##### a. Appointment and Composition

The Parties shall establish a Plant Training Committee at each of the Company's facilities. The Plant Training Committee shall be composed of three (3) Union representatives who are Employees of the Company and an equal number of Company representatives. The Company members of each Plant Training Committee shall include the Plant Manager, or his/her designee (who shall serve as the Company 7.A.4

Chair). The Company Members of the Committee shall be selected and serve at the pleasure of the Plant Manager. The Union members of each Plant Training Committee shall include the Local Union President/Unit Chair (who shall serve as the Union Chair). The Union members of the Committee shall be selected and serve at the pleasure of the Local Union President/Unit Chair at the Plant.

b. Staff

Each Plant Training Committee shall have one (1) full time Training Coordinator who will be responsible for coordination and oversight of the Training Program. The Training Coordinator will be an Employee selected by and serving at the pleasure of the Chair of the Union Negotiating Committee, in consultation with the Local Union President(s)/Unit Chair(s) at the Plant, subject to the reasonable approval of the Company. The Training Coordinator shall be compensated in the same manner as the Contract Coordinators referred to in Article Six, Section C of this Agreement. 7.A.5

3. Study of Workforce Training Needs

Within six (6) months of the Effective Date, each Plant Training Committee shall complete a report (Report) of the expected training needs of the workforce over the term of the Agreement, given the Commitments outlined in Paragraph 1 above. Such Report shall include Findings and Recommendations as described below. 7.A.6

a. Findings

- (1) an age and service profile and the anticipated attrition rates of the workforce over the life of the Agreement; 7.A.7
- (2) an assessment of the current skill requirements (both competencies and anticipated demand) of the Plant, the availability of such skills within the existing workforce and any training practices or programs necessary to assure that the workforce can meet the Plant's anticipated requirements; 7.A.8
- (3) an evaluation of the appropriateness of existing training programs and the necessity of developing additional training programs, giving due consideration to changing technology and future skill needs; 7.A.9
- (4) an examination of current overtime levels and an assessment of whether Employees in certain positions are working excessive overtime; 7.A.10
- (5) an examination of methods by which productivity can be improved through additional training of Employees; 7.A.11
- (6) an examination of the Plant's business plan, including projected capital spending, planned or potential new technology or technological change and other relevant factors over the term of the Agreement; and 7.A.12

- (7) an assessment of the work practices and the training practices at the Plant, as compared to those of other steel producers represented by the Union. 7.A.13

b. Recommendations

Based on its Findings, the Plant Training Committee shall develop a comprehensive training program, including a detailed implementation plan and all necessary resources for administration, implementation, delivery and evaluation (Training Program) designed to, on a practical and timely basis, meet the commitments outlined in Paragraph 1 above, consistent with the workplace restructuring contemplated by this Agreement. 7.A.14

c. Update

Each year the Plant Training Committee shall prepare an Update that reviews the Findings and modifies them based on changed circumstances, measures the success of the Training Program against its objectives and modifies the Training Program accordingly. 7.A.15

d. Separate Statements

The Report and each Update will include separate statements by the Parties with respect to any Finding or Recommendation as to which they disagree. 7.A.16

4. Action by the Chairs of the Negotiating Committee

- a. Within thirty (30) days of receipt of the Report or an Update, the Chair of 7.A.17

the Union Negotiating Committee and the Chair of the Company Negotiating Committee shall approve a Training Program or Update (including modifications upon which they can agree) or submit those matters on which they do not agree to the Board of Arbitration, pursuant to procedures to be agreed upon by the Parties.

- b. The dispute will be resolved on the basis of a final offer submission by the Parties at a hearing. The Board will determine which of the submissions best meets the Commitments outlined in Paragraph 1 above, in light of the Findings referred to in Paragraph 3(a) above. The Board shall have the power to determine the procedures pursuant to which the hearing is conducted. 7.A.18

5. Administration and Union Role

- a. In accordance with Section A(1) and to facilitate the provisions of Section A(3)(b), each Plant Training Committee shall jointly oversee the administration and delivery of its Training Program, the expenditure of Company funds necessary for its operation and an annual audit of such activity. 7.A.19
- b. In the event that the Union members of the Plant Training Committee propose that the Union or its designee take responsibility for any or all aspects of the administration, delivery or implementation of the Training Program, the Company members of the Committee shall give recognition to the special advantages that such 7.A.20

Union responsibility would contribute to the Training Program, including but not limited to the knowledge of the Union concerning the Program and its development, the familiarity of the Union with the capabilities and learning styles of Employees and the added credibility that Union responsibility would add to the program. Any dispute over aspects of the administration, delivery or implementation of the Program shall be a matter for resolution under Paragraph 7 below.

6. Safeguards and Resources

- a. The Company shall provide the members of the Plant Training Committee and the Training Coordinator with such training as is necessary to enable them to perform their responsibilities under this Section with a high degree of competence. Employee Participation in the Plant Training Committee shall normally occur during normal work hours. All meeting time and necessary expenses of the Plant Training Committee shall be paid for by the Company. The Company will pay necessary expenses and lost time in accordance with local Plant understandings. 7.A.21
- b. Union members of the Plant Training Committee shall be entitled to adequate opportunity on Company time to caucus for purposes of study, preparation, consultation and review, and shall be compensated in the same manner as set forth in Paragraph (a) above. Requests for 7.A.22

caucus time shall be made to the appropriate Company representative in a timely manner, and such requests shall not be unreasonably denied.

- c. To the extent that Company facilities are available and appropriate for Training Program activities, they will be made available. 7.A.23

## 7. Dispute Resolution

In addition to the matters covered by the dispute resolution procedure described in Paragraph 4 above, in the event that the Plant Training Committee is unable to reach agreement on any matter involving the Training Program, the Plant Training Committee shall appeal the matter to the Board, which shall apply the standard set forth in Paragraph 4(b) to resolve such dispute. The further details of this procedure shall be as agreed to by the Plant Training Committee unless they are unable to reach such agreement, in which case they shall be determined by the Board. 7.A.24

## **Section B. Institute for Career Development**

### 1. Establishment

The Union and the Company hereby establish the USWA/USS Institute for Career Development (the Institute) which, in conjunction with similar programs negotiated by the Union with various other employers, will be administered under the rules and procedures of the Institute for Career Development (ICD). 7.B.1



2. Purpose 7.B.2  
The purpose of the Institute is to provide resources and support services for the education, training and personal development of the Employees of the Company, including upgrading their basic skills and educational levels.
3. Guiding Principles 7.B.3  
The Institute and ICD shall be administered in a manner consistent with the following principles: 7.B.4
- a. workers must play a significant role in the design and development of their jobs, their training and education and their working environment; 7.B.5
  - b. workers should be capable of reacting to change, challenge and opportunity and this requires ongoing training, education and growth; and 7.B.6
  - c. worker growth and development can only succeed in an atmosphere of voluntary participation in self-designed and self-directed training and education.
4. Financing 7.B.7  
The Institute will be financed by \$0.15 for each hour worked by all Employees. The Parties will also seek and use funds from federal, state and local governmental agencies.
5. Administration 7.B.8
- a. The Institute will be administered jointly by the Company and the Union in accordance with procedures, rules, regulations and policies agreed to by the Parties. 7.B.8
  - b. Training is separately provided for in the Agreement. The Company may, however, contract with the Institute 7.B.9

to provide services and resources in support of such training.

- c. The Company agrees to participate fully as a member of ICD in accordance with policies, rules and regulations established by the ICD. The Company's financial contributions to the Institute will continue to be separately tracked. ICD will continue to be under the joint supervision of the Union and participating employers with a Governing Board consisting of an equal number of Union and employer appointees. 7.B.10

6. Reporting, Auditing, Accountability and Oversight

The following minimum requirements shall govern reporting, auditing, accountability and oversight of the funds provided for in Paragraph 4. 7.B.11

a. Reporting

- (1) For each calendar year quarter, and within thirty (30) days of the close of such quarter, the Company shall account to the ICD, the International Union President and the Chair of the Union Negotiating Committee for all changes in the financial condition of the Institute. Such reports shall be on form(s) developed by the Institute broken down by Plant and shall include at least the following information: 7.B.12

- (a) The Company's contribution, an explanation thereof and the cumulative balance; and 7.B.13

- (b) a detailed breakdown of actual expenditures related to approved program activities during said quarter. 7.B.14
- (2) The Company and Union 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. 7.B.15
- b. Auditing
- The Company or the Union may, for good reason, request an audit of the Company reports described in Paragraph 6(a) above and of the underlying Institute activities made in accordance with the following: (1) the Company and the Union shall jointly select an independent outside auditor; (2) the reasonable fees and expenses of the auditor shall be paid from ICD funds and (3) the scope of audits may be Company-wide, Plant-specific, or on any other reasonable basis. 7.B.16
- c. Approval and Oversight
- Each year, the Local Joint Committees shall submit a proposed training/education plan to the Chairs of the Union and Company Negotiating Committees or their designees. Upon their approval, said plans shall be submitted to the Institute. The Institute must approve the plan before any expenditure in connection with any activities may be charged against the funds provided for in this Agreement. An expenditure shall not be charged against such funds until such expenditure is actually made. 7.B.17

**7. Dispute Resolution Mechanism**

- a. Any dispute regarding the administration of the Institute at the Company or Plant level shall be subject to expedited resolution by the Chairs of the Union and Company Negotiating Committees and the Executive Director of ICD who shall apply the policies, rules and regulations of the Governing Board and the provisions of this Section in ruling on any such dispute. Rulings of the Executive Director may be appealed to the Governing Board, but shall become and remain effective unless stayed or reversed by the Governing Board. 7.B.18
  
- b. Within sixty (60) days of the Effective Date, the Parties will develop an expedited dispute resolution mechanism that resolves disputes within two (2) weeks. 7.B.19

**ARTICLE EIGHT - EARNINGS SECURITY**

**Section A. Employment Security**

**1. Objective**

The Parties agree that it is in their mutual interest to provide all Employees, who have at least three (3) years of Continuous Service, with the opportunity to earn at least forty (40) times their hourly equivalent salary rate of pay each week. The protections afforded by this Section shall not apply to any Employee affected by the permanent shutdown of a Plant or department, or a substantial portion thereof. 8.A.1

## 2. Layoff Minimization Plan

The Company agrees that, prior to implementing any layoffs of Employees with more than three (3) years of Continuous Service, it shall review and discuss with the Union: 8.A.2

a. documentation of a clear and compelling business need for the layoffs (Need); 8.A.3

b. the impact of the layoffs on the bargaining unit, including the number of Employees to be laid off and the duration of the layoffs (Impact); and 8.A.4

c. a Layoff Minimization Plan which shall address at least the following elements: 8.A.5

(1) a reduction in the use of Outside Entities; 8.A.6

(2) the elimination of the purchase or use of semi-finished and hot-rolled steel from outside vendors that can be reasonably produced by the Company; 8.A.7

(3) the minimization of the use of overtime; 8.A.8

(4) a program of voluntary layoffs; 8.A.9

(5) the use of productive alternate work assignments to reduce the number of layoffs; 8.A.10

(6) a meaningful program of shared sacrifice by management, including senior management; and 8.A.11

(7) any plan suggested by the Local Union to create the opportunity for Employees to exercise seniority to bump junior Employees 8.A.12

on jobs within a pool of sufficient Labor Grade 1 positions to provide meaningful protection from long term layoff for senior Employees.

3. Employee Protections

Reference to the elements of a Layoff Minimization Plan in Paragraph 2 above shall not be construed to impair in any way any protection afforded to Employees under other provisions of this Agreement. 8.A.13

4. Union Response

The Union shall be provided with sufficient information to reach its own judgment on whether there is a Need, the appropriate Impact and to develop its own proposed Layoff Minimization Plan. 8.A.14

5. Dispute Resolution

a. In the event the Parties cannot reach agreement on whether there is a Need, the appropriate Impact and the terms of a Layoff Minimization Plan, the Company may implement its plan and the Union may submit their dispute to an expedited final offer arbitration under procedures to be developed by the Parties. If the Company lays off Employees in violation of this Section, such Employees shall be made whole. 8.A.15

b. The arbitrator's ruling shall address whether the Company demonstrated a Need and if it did, whose proposed Impact and Layoff Minimization Plan was more reasonable, given all the circumstances and the objectives of the Parties. 8.A.16

## **Section B. Supplemental Unemployment Benefits**

### **1. Eligibility**

An Employee shall be eligible for a weekly Supplemental Unemployment Benefit (Weekly Benefit) for any week beginning on or after the Effective Date, if s/he: 8.B.1

a. has completed three (3) years of Continuous Service at the time of layoff; 8.B.2

b. is and remains an Employee within the meaning of this Agreement; 8.B.3

c. does not receive sickness and accident benefits or salary continuance under an agreement between the Company and the Union; 8.B.4

d. does not receive vacation pay from the Company; 8.B.5

e. has not refused suitable employment pursuant to other sections of this Agreement; 8.B.6

f. is not in service with the Armed Forces, including training encampments; 8.B.7

g. is not on FMLA leave; 8.B.8

h. applies for state unemployment benefits for the week and takes all reasonable steps to receive such benefits; provided, however, that this requirement will not apply if s/he has exhausted state unemployment benefits, receives other compensation in an amount that disqualifies him/her for state unemployment benefits, has insufficient employment to be covered by the state system, fails to qualify for state unemployment ben- 8.B.9

efits because of a waiting week, is unable to work by reason of disability, or is participating in a federal training program; and

i. either

(1) is on layoff for any week in which, because of lack of work (not including layoff due to any strike, slowdown, work stoppage, picketing or concerted activity), s/he does not work at all for the Company; 8.B.10

(2) is on layoff during a Plant shutdown period and s/he is not entitled to vacation during the shutdown; or 8.B.11

(3) became disabled while on layoff and is not physically able to return to work. 8.B.12

2. Amount and Duration of Benefits

a. Weekly Benefits are equal to: 8.B.13

(1) forty (40) multiplied by the Employee's hourly equivalent Salary Rate of Pay; and 8.B.14

(2) the applicable percentage shown in the following table: 8.B.15

**Supplemental Unemployment Benefit Percentage** 8.B.16

Duration of Benefits, in Weeks			
Continuous Service	1 to 26	27 to 52	53 to 104
3 but less than 10	60%	40%	0%
10 but less than 20	70%	50%	25%
20 and over	80%	60%	40%

b. Notwithstanding the above table, the duration of Weekly Benefits payable 8.B.18



to an Employee who becomes disabled while on layoff and is not physically able to return to work shall be limited to fifty-two (52) weeks beginning with the week the Employee is recalled to work.

- c. The amount of a Weekly Benefit may be offset only by the amount of state unemployment benefits including dependency allowance, Trade Adjustment Allowance and any Excess Other Compensation, but in no event will the total Weekly Benefit be less than \$250.00 per week for the Duration of Benefits. 8.B.19
- d. Excess Other Compensation means any weekly earnings from an employer other than the Company in excess of the amount that would reduce the Employee's state unemployment benefit to zero. The amount to be offset shall be \$1 for each \$2 of Excess Other Compensation. 8.B.20

3. Company Payment

The Company shall make reasonable calculations of Weekly Benefits and pay such benefits provided an Employee provides ongoing documentation establishing his/her eligibility for such benefits. 8.B.21

4. Disputes

In the event an Employee believes that his/her Weekly Benefit or eligibility determination has been made in error, the Employee may file a grievance, as outlined in the grievance procedure of this Agreement. 8.B.22

5. Administration of the Plan

Subject to and in accordance with the terms and conditions outlined in this Section, the Company shall administer the Supplemental Unemployment Benefits Plan (Plan) and may prescribe reasonable rules and regulations. The costs of administering the Plan shall be borne by the Company. 8.B.23

6. Finality of Determination

The Company shall have the right to recover overpayments and correct underpayments to Employees. However, any benefit determination shall become final six (6) months after the date on which it is made if (a) no dispute is then pending and (b) the Company has not given notice in writing of an error. The foregoing shall not prevent the Company from making a new benefit determination based on facts not previously known or information fraudulently furnished or withheld by an Employee. 8.B.24

7. Termination

Notwithstanding the provisions of Article One, Section B (Term of the Agreement), this Section and the Plan on which it is based shall expire five (5) months after the Termination Date. 8.B.25

8. Documentation

The Parties shall adopt a mutually agreed upon Plan Brochure to provide an explanation of the benefits described in this Section. 8.B.26

**Section C. Severance Allowance**

1. Right to Severance Allowance

Employees meeting the conditions outlined below shall, upon request, 8.C.1

receive a Severance Allowance as described herein.

2. Eligibility

- a. In order to be eligible for a Severance Allowance, an Employee must have accumulated three (3) or more years of Continuous Service and satisfied Paragraphs 2(b) and (c) below. 8.C.2
- b. An Employee must be on layoff (other than voluntary layoff) and have been: 8.C.3
  - (1) on layoff for six (6) consecutive months, 8.C.4
  - (2) offered, under the terms of the Agreement, less than 520 hours of straight time work in a twelve (12) month period, or 8.C.5
  - (3) on layoff due to a Permanent Closure as defined in this Section. 8.C.6
- c. An Employee must request Severance Allowance within ninety (90) days of the date the Company sends notification to the Employee that the requirement in Paragraph 2(b) is satisfied. 8.C.7

3. Employment in Lieu of Severance

- a. In lieu of Severance Allowance, within thirty (30) days of an Employee's request for Severance Allowance, the Company may offer such Employee a regular full-time job in at least the same labor grade at the Employee's Plant or within one hundred (100) miles of that Plant if: 8.C.8
  - (1) the job is in a bargaining unit represented by the Union; 8.C.9

(2) the job is not a temporary job or a job known to be of limited duration; 8.C.10

(3) the Employee is physically qualified to perform the job; and 8.C.11

(4) the Employee has the ability and skills required to perform the job or has the ability to absorb such training for the job as is offered and is necessary to enable the Employee to perform the job satisfactorily. 8.C.12

b. Except as otherwise provided in Paragraph 3(c) below, in the event the Employee refuses an offer made under Paragraph 3(a) above, the Employee will forfeit his/her right to Severance Allowance and become ineligible for any other layoff benefit to which s/he may be entitled, such as Supplemental Unemployment Benefits. 8.C.13

c. In the case of Paragraph 2(b)(3) above, an Employee accruing service under the U.S. Steel Pension Agreement as of the date of the Permanent Closure may refuse an offer made under Paragraph 3(a) above, unless it is for a job s/he is entitled to under Article Five, Section E (Seniority) in at least the same labor grade in the Employee's Plant, and continue to receive any benefits to which s/he may be entitled. 8.C.14

#### 4. Amount and Form

a. Except as otherwise provided under Paragraphs 4(b) and 4(c), an eligible Employee shall receive a single lump sum payment equal to one (1) week 8.C.15

of pay at the Employee's Vacation Rate of Pay for each year of Continuous Service or portion thereof, up to a maximum of eight (8) weeks.

- b. An eligible Employee other than an Employee accruing service under the U.S. Steel Pension Agreement shall receive: 8.C.16
  - (1) One (1) week of pay at the Employee's Vacation Rate of Pay for each year of Continuous Service or portion thereof; and 8.C.17
  - (2) In the case of Paragraph 2(b)(3) above, an additional two (2) weeks of pay at the Employee's Vacation Rate of Pay for each year of service over fifteen (15) years of Continuous Service or portion thereof. 8.C.18
- c. In the case of Paragraph 2(b)(3) above, the Severance Allowance payable to an Employee accruing service under the U.S. Steel Pension Agreement will be reduced by the amount of any Supplemental Unemployment Benefits paid for the sixty (60) days ending with the request for Severance Allowance. 8.C.19
- d. Notwithstanding any other provision of this Agreement, any Severance Allowance payable to an Employee who is eligible for an immediate unreduced pension under the U.S. Steel Pension Agreement shall be reduced by (1) the present value of the incremental pension benefits as defined below; and (2) the value of retiree health benefits as determined in accordance with the Age 8.C.20

Discrimination in Employment Act as amended. As used in the preceding sentence, "the present value of the incremental pension benefits" shall be understood to mean the present value of the difference between (1) the total amount of pension payable to such Employee prior to age 62; and (2) the portion of such pension not attributable to the occurrence of the contingent event of Permanent Closure. The interest rates used to determine present value shall be the PBGC rates for single life annuities in effect for the month in which Severance Allowance would otherwise be paid.

5. Definitions

For the purposes of this Section: 8.C.21

a. Continuous Service means the 8.C.22

Employee's Continuous Service as that term is defined in Article Five, Section E (Seniority, Paragraph 3 of the Basic Labor Agreement), at the time of the Permanent Closure or, in the case of Paragraph 2(b)(1) or 2(b)(2), the date of the Employee's request for Severance Allowance; and

b. Permanent Closure means the per- 8.C.23

manent closure of a Plant or permanent discontinuance of a department of a Plant or substantial portion thereof. In addition to an announced Company decision providing therefor, a Permanent Closure shall be deemed to have occurred wherever the Company is not operating the subject Plant, department, or substantial portion thereof and cannot

clearly demonstrate reasonable plans or expectations to resume operations in the foreseeable future.

6. Consequence of Acceptance

Any Employee who requests and accepts a Severance Allowance shall permanently terminate employment with the Company. 8.C.24

**Section D. Interplant Job Opportunities**

1. An Employee with more than three (3) years of Continuous Service on the date of his/her layoff and who is continuously on layoff for at least sixty (60) days and not expected to be recalled within sixty (60) days, shall be given priority over new hires and probationary Employees for permanent job vacancies at a Plant other than his/her own Plant, as described below: 8.D.1

a. The Employee must file with his/her home Plant, on a form provided by the Company, a written request for such transfer specifying the other Plant or Plants at which s/he would accept employment. 8.D.2

b. Employees who apply shall be given priority for permanent vacancies at other Plants which are not filled from within the particular Plant in the order of their Continuous Service (the earlier date of birth to control where such service is identical), provided the Employee has the necessary qualifications to perform the job and advance in the promotional sequence. In determining qualifications, the Employee shall be treated as if the job were an opening at his/her home Plant. 8.D.3

- c. An Employee laid off from his/her Plant who is offered and accepts a job at another Plant, will have the same obligation to report for work there as though s/he were a laid-off Employee at that Plant. During his/her employment at that Plant, s/he will be subject to all the rules and conditions of employment in effect at that Plant. S/he will be considered as a new Employee at that Plant and therefore such Employee's Plant Service shall be defined in accordance with Article Five, Section E(3)(c). 8.D.4
- d. An Employee shall be deemed to reject such job if s/he does not affirmatively respond within five (5) days of the time the offer is made, which offer shall be directed to his/her last place of residence as shown on the written request referred to in Paragraph (a) above. If an Employee rejects such job pursuant to this provision, his/her name shall be removed from those eligible for priority hereunder, and he/she may apply, pursuant to Section D(1)(a), for reinstatement. 8.D.5
- e. An Employee who accepts employment at another Plant under this Section will continue to accrue Plant Service for seniority purposes at his/her home Plant in accordance with the applicable seniority rules for a maximum period of six (6) months from the date of transfer. If within the six (6) month period, s/he is recalled to work at his/her home Plant and s/he elects to return, his/her Continuous Service for seniority pur- 8.D.6



poses at the other Plant will be cancelled. If s/he elects to remain at the other Plant, his/her Continuous Service for seniority purposes at his/her home Plant will be cancelled.

- f. When an Employee is recalled to his/her home Plant, the Company may require the Employee to remain at such other Plant for the calendar week following the calendar week during which such recall occurs. 8.D.7
2. An Employee who accepts a job at another Plant, pursuant to this section, more than 100 miles from his/her home Plant will receive a relocation allowance of \$500 promptly after the commencement of employment at the Plant to which s/he is relocated. 8.D.8

## **ARTICLE NINE – ECONOMIC OPPORTUNITY**

### **Section A. Salaries**

- 1. Definitions:
  - a. "Salary Rate of Pay" or "Salary Rate" as used in this Agreement shall be the biweekly salary rates of pay as shown in Appendix A-1. 9.A.1
  - b. There is established for each biweekly Salary Rate a corresponding hourly equivalent Salary Rate equal to one-eightieth of the biweekly Salary Rate. 9.A.2
- 2. To be eligible for the established biweekly Salary Rate, an Employee shall have accrued two (2) years of Corporation continuous service prior to the commencement of the biweekly pay 9.A.3

ARTICLE 9, Section B - Salary Differential (Red Circle)

period, provided that this Subsection 2 shall not be utilized to permit Management to schedule an Employee for less than eighty (80) hours in any biweekly pay period.

3. In accordance with the provisions of Article Five, Section A, the Company may authorize absence from work within the biweekly pay period without reduction of the Salary Rate. 9.A.4
4. Nothing in this Agreement shall require payment for time not worked during a biweekly pay period due to cause such as:
  - a. Refusal of the Employee to perform the work to which assigned, 9.A.6
  - b. Absence from work without just cause, 9.A.7
  - c. Voluntary absence from work, and 9.A.8
  - d. Justifiable discharge or suspension from work, 9.A.9
5. An Employee performing work on a job of a lower salary grade on a temporary basis at the request or direction of Management shall receive the applicable rate s/he otherwise would have received if s/he had not been temporarily assigned or reassigned. This provision shall not affect the rights of any Employee or the Company under another provision of this Agreement. 9.A.10

**ection B. Salary Differential (Red Circle)**

Should a USS or former National Steel Employee's incumbent standard biweekly salary rate under the August 1, 1999 Basic Labor Agreement (the 1999 Salary Rate) be higher than the established Salary Rate of Pay for the 9.B.1

new position box to which his/her former incumbent job was slotted during workplace restructuring, a salary differential (Red Circle) shall be determined for each Employee and added to all hours paid whether or not such hours are worked.

2. Such red-circle adjustment shall cease to apply upon the occurrence of any of the following events: 9.B.2
  - a. the Salary Rate of Pay of the Employee's new job meets or exceeds his/her 1999 Salary Rate, or 9.B.3
  - b. the Employee moves from the job into which he/she was originally slotted as a result of promotion, demotion, or for any other reason. 9.B.4

### **Section C. Correction of Errors**

Notwithstanding any other provisions of this Agreement, errors in applications of rates of pay shall be corrected. 9.C.1

### **Section D. Shift Premium**

Employees shall receive a shift premium of twenty-five cents (\$0.25) for all hours worked by Employees designated as Shift Workers. Shift Workers are those Employees who are routinely scheduled more than half their shifts on other than the day shift (all eight (8) hour shifts starting between 6:00 a.m. and 9:00 a.m. are defined as the day shift). 9.D.1

### **Section E. Sunday Premium**

All hours worked by an Employee on Sunday shall be paid for on the basis of one and one-half times the Employee's hourly equivalent Salary Rate of Pay. For the pur- 9.E.1

pose of this Section, Sunday shall be deemed to be the twenty-four (24) hours beginning with the shift change hour nearest to 12:01 a.m. Sunday.

## **Section F. Profit Sharing**

### **1. Introduction**

The Parties agree to establish a profit sharing plan (the Plan). 9.F.1

### **2. Level of Payout**

The Company agrees that it will create a profit sharing pool (the Pool) consisting of the following percentages of the Company's Quarterly Profits, as defined below, and to distribute the Pool within forty-five (45) days of the end of each fiscal quarter, in the manner described below. The fourth (4th) quarter payment will be distributed within fifteen (15) days following the date of public release of the Company's annual audited financial statements, which may include an adjustment for the correction of errors in prior quarters. 9.F.2

a. Seven and one half percent (7.5%) of all Profits between \$10 and \$50 of Profit per Ton Shipped; 9.F.3

b. Ten percent (10.0%) of all Profits above \$50 of Profit per Ton Shipped. 9.F.4

### **3. Calculation of Profits**

a. Profit shall be defined as Income from Operations of the Company, calculated on a consolidated basis in accordance with the United States Generally Accepted Accounting Principles (GAAP), with the following exclusions: 9.F.5

- (1) Income or loss related to any charges or credits (whether or not identified as special credits or charges) for unusual, infrequently occurring or extraordinary items, including credits or charges for Plant closures, business dispositions and asset sales that are not normal operating charges or credits of the Company; 9.F.6
- (2) Any cost or expense associated with the Benefit Trust; 9.F.7
- (3) Any cost or expense associated with the Profit Offset; 9.F.8
- (4) Any cost or expense associated with the Profit Sharing Plan; and 9.F.9
- (5) Any payments, fees or other expenses that are not in the normal course of business paid directly or indirectly to any person or entity who directly or indirectly owns or controls any equity or equity-like interest in the Company. 9.F.10

b. Calculation Sequence

Profit as determined in Paragraph 3 (a) above will be used to calculate the amount of the contribution to the Benefit Trust as provided in Section C(1)(b) of the Benefit Trust found in Appendix BB of the 2003 Settlement Agreement. Profit after deducting the amount of the contribution to the Benefit Trust will then be used to calculate the amount of the Profit Offset as provided in the Program of Hospital-Medical Benefits. Profit after deducting the amount of the 9.F.11

contribution to the Benefit Trust and the amount of the Profit Offset will then be used to calculate the Pool available for Profit Sharing as provided in Article Nine, Section E.

- c. Tons Shipped shall be defined as tons of steel products shipped by the Company on a consolidated basis to third parties. 9.F.12

#### 4. Individual Entitlement

The Pool will be divided among all Employees (Participants) on the basis of the Hours (as defined below) of each such Participant in the calendar weeks within each fiscal quarter. 9.F.13

- a. Hours shall include the following, but shall not exceed forty (40) hours for any week for any Participant: hours worked (including straight time and overtime hours), vacation and holiday hours at the rate of eight (8) hours for each holiday or day of vacation; hours on Union business; and hours, at the rate of eight (8) hours a day, while receiving Workers' Compensation benefits (based on the number of days absent from work while receiving such benefits). 9.F.14

- b. Any payments made to a Participant pursuant to this Plan shall not be included in the Participant's earnings for purposes of determining any other pay, benefit or allowance of the Participant. 9.F.15

#### 5. Administration of the Plan

- a. The Plan will be administered by the Company in accordance with its terms and the costs of administration shall be the responsibility of the 9.F.16

Company. Upon determination of each Quarterly Profit calculation, such calculation shall be forwarded to the Chair of the Union Negotiating Committee accompanied by a Certificate of Officer signed by the Chief Financial Officer of the Company, providing a detailed description of any adjustments made to Income from Operations and stating that Profit was determined in accordance with GAAP and that Quarterly Profit was calculated in accordance with this Section.

- b. The Union, through the Chair of its Negotiating Committee or his/her designee, shall have the right to review and audit any information, calculation or other matters concerning the Plan. The Company shall provide the Union with any information reasonably requested in connection with its review and the Union and any outside consultants that it uses shall not disclose any portion of such information that is confidential. The reasonable actual costs incurred by the Union in connection with any such audit shall be paid from the Pool and deducted from the amount otherwise available under the Pool for distribution to Employees. 9.F.17
- c. In the event that a discrepancy exists between the Company's Profit Sharing calculation and the results obtained by the Union's review, the Chairs of the Union and Company Negotiating Committees shall attempt to reach an agreement 9.F.18

regarding the discrepancy. In the event that they cannot resolve the dispute, either Party may submit such dispute to final and binding arbitration under the grievance procedure provided in this Agreement.

6. Prompt Payment

Notwithstanding Paragraph 5, the Company shall comply with the requirements of Paragraphs 2 through 4 based on its interpretation of the appropriate payout. If the process described in Paragraph 5 results in a requirement for an additional payout, said payout shall be made no more than fourteen (14) days after the date of the agreed upon resolution or issuance of the arbitrator's decision. 9.F.19

7. Summary Description

The Parties will jointly develop a description of the calculations used to derive profit sharing payments under the Plan for each quarter and distribute it to each Participant. 9.F.20

**Section G. Inflation Recognition Payment**

1. General Description

*The below general description is qualified in its entirety by Paragraphs 2 through 6 below.* 9.G.1

The purpose of the Inflation Recognition Payment (IRP) is to make quarterly lump-sum payments to Employees if cumulative inflation, as measured over the life of the Basic Labor Agreement, exceeds three percent (3%) per year. 9.G.2

At the end of each calendar quarter, the Consumer Price Index (CPI) for the final 9.G.3



month of that quarter will be compared to a CPI Threshold (as found in the Table in Paragraph 5 below) which represents what the CPI would be if total inflation since the beginning of the Agreement had averaged three percent (3%) per year. If the actual CPI is higher than the CPI Threshold, a lump sum payment shall be made equal to each full one percent (1.0%) by which the actual CPI is higher than the CPI Threshold, multiplied by the hourly equivalent Salary Rate of Pay for each position worked by an Employee for all hours actually worked and overtime allowance (hereafter referred to as "earnings") for the quarter.

Thus, if in a given quarter three percent (3%) annual inflation since the beginning of the Agreement would have produced total inflation of ten percent (10%) and the actual CPI indicates that inflation since the beginning of the contract has been twelve percent (12%) and an Employee had earnings as defined in the paragraph above during the quarter of \$12,000, then that Employee would receive a lump-sum payment of two percent (2%) (12% actual inflation minus a 10% CPI Threshold) times \$12,000 or \$240. 9.G.4

## 2. IRP Payments

a. Beginning the first full calendar quarter after January 1, 2004, the Company shall, on each Payment Date, make to each Employee an IRP payment equal to: 9.G.5

(1) their total earnings as defined above for the Covered Period, multiplied by 9.G.6

(2) each full percentage (1.0%), by which the CPI for the 9.G.7

Measurement Month exceeds the CPI Threshold for the Measurement Month.

- b. No IRP will be made for any Covered Period unless the CPI for the Measurement Month is greater than the CPI Threshold; in the event the CPI is lower than the CPI Threshold there shall be no recoupment of any kind. 9.G.8

The IRP shall be a lump-sum payment and shall not be part of the Employee's Salary Rate of Pay or used in the calculation of any other pay, allowance or benefit. 9.G.9

3. Definitions

- a. CPI shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average, All Items, Not Seasonally Adjusted (1982-84=100) as published by the Bureau of Labor Statistics. If the Consumer Price Index in its present form and on the same basis as the last Index published prior to January 1, 2004 becomes unavailable, this Section shall be adjusted to produce as nearly as possible the same result as would have been achieved using the Index in its present form. 9.G.10
- b. Payment Date shall be the forty-fifth (45th) day after the last day of the Measurement Month. 9.G.11
- c. Measurement Month shall be the last month of a Covered Period. 9.G.12
- d. Covered Period(s) shall be as shown in Paragraph 5 below. 9.G.13

- e. CPI Threshold(s) shall be as shown in Paragraph 5 below, based on the formula in Paragraph 6 below. 9.G.14

4. Example: 9.G.15

Covered Period 10-01-05 – 12-31-05

Measurement Month December 2005

Hypothetical CPI in Measurement Month 202.3

CPI Threshold for the Covered Period 196.6

The amount, of full percentage point(s), by which the CPI for the Measurement Month exceeds the CPI Threshold for the Covered Period

$$((202.3 - 196.6)/196.6) = 2.0\%$$

Earnings in Covered Period \$12,000

IRP Payment ( $\$12,000 \times 2.0\%$ ) = \$240.00

## 5. Covered Periods and CPI Thresholds

9.G.16

Covered Period	CPI Threshold
07-01-02 – 09-30-02	None
10-01-02 – 12-31-02	179.9
01-01-03 – 03-31-03	179.9
04-01-03 – 06-30-03	185.3
07-01-03 – 09-30-03	185.3
10-01-03 – 12-31-03	185.3
01-01-04 – 03-31-04	185.3
04-01-04 – 06-30-04	190.9
07-01-04 – 09-30-04	190.9
10-01-04 – 12-31-04	190.9
01-01-05 – 03-31-05	190.9
04-01-05 – 06-30-05	196.6
07-01-05 – 09-30-05	196.6
10-01-05 – 12-31-05	196.6
01-01-06 – 03-31-06	196.6
04-01-06 – 06-30-06	202.5
07-01-06 – 09-30-06	202.5
10-01-06 – 12-31-06	202.5
01-01-07 – 03-31-07	202.5
04-01-07 – 06-30-07	208.6
07-01-07 – 09-30-07	208.6
10-01-07 – 12-31-07	208.6
01-01-08 – 03-31-08	208.6
04-01-08 – 06-30-08	214.9
07-01-08 – 08-31-08	214.9

## 6. Formula to Calculate CPI Threshold

The CPI Threshold shown in the Table above is the CPI for the month of March 2002 multiplied by 1.03 per year as expressed in the following formula: 9.G.17

$$\text{CPI-W for 3-02} \times (1.03)^n$$

Where n is the number of Covered Years from the first calendar year of 2002 to the Covered Year in which the calculation is made. 9.G.18

## ARTICLE TEN - PAID TIME OFF AND LEAVES OF ABSENCE

### Section A. Holidays

1. An Employee shall be paid two and one-half (2½) times his/her hourly equivalent Salary Rate of Pay for all hours worked on any of the holidays specified below. 10.A.1
  - January 1
  - Martin Luther King, Jr.'s Birthday
  - Good Friday
  - Memorial Day
  - July 4
  - Labor Day
  - Thanksgiving Day
  - Day after Thanksgiving Day
  - Day Preceding Christmas Day
  - Christmas Day
2. In the event a holiday falls on Sunday, it shall be observed on Monday. A holiday is the twenty-four (24) hour period beginning at the shift-changing hour nearest to 12:01 a.m. on the day so observed. 10.A.2
3. Pay for a Recognized Holiday Not Worked 10.A.3
  - a. An eligible Employee who does not work on a holiday shall be paid eight (8) times his/her hourly equivalent Salary Rate of Pay. 10.A.4
  - b. As used in this Section, an eligible Employee is one who (1) has worked thirty (30) calendar days since his/her last hire; (2) performs work or is on vacation in the payroll period in which the holiday is observed; or if s/he is laid off for such payroll period, performs work or is on vacation in either the payroll period preceding or the payroll period following the 10.A.5

payroll period in which the holiday is observed; and (3) works as scheduled or assigned on both his/her last scheduled workday prior to and his/her first scheduled workday following the day on which the holiday is observed, unless s/he has failed to so work because of sickness or other good cause.

- c. When any holiday is observed during an eligible Employee's vacation, s/he shall be entitled to pay for the unworked holiday. 10.A.6
- d. If an eligible Employee works on a holiday for less than eight (8) hours, s/he shall be paid for time not worked for the remainder of the eight (8) hours, pursuant to paragraph 3(a) of this Section. 10.A.7
- e. It is understood that no Employee shall receive more than double time and one-half for hours worked on a holiday. 10.A.8

## **Section B. Vacations**

### **1. Eligibility**

Each Employee who has attained at least six months of continuous service and who in any calendar year during the continuance of this Agreement, has performed work in such calendar year or who, during the last pay period closed during the year immediately preceding such calendar year: (i) has performed work, or (ii) was on vacation from work, or (iii) was receiving sick leave-salary continuance as provided for in Article Ten, Section H, or (iv) was receiving Sickness and Accident Insurance Benefits after sick leave-salary 10.B.1

continuance has been exhausted, shall receive a vacation corresponding to his period of continuous service with vacation pay.

2. Length

- a. An eligible Employee who has attained the years of continuous service indicated in the following table in any calendar year during the continuation of this Agreement shall receive a vacation corresponding to such years of continuous service as shown in the following table: 10.B.2

Years of Service	Weeks of Vacation	10.B.3
Less than 6 months	None	
6 months but less than 1 year	1	
1 but less than 5 years	2	
5 but less than 13 years	3	
13 but less than 22 years	4	
22 or more	5	

- b. An Employee who completes six months' service and one year's service in the same calendar year shall be entitled to receive only a total of two weeks vacation during the calendar year. 10.B.4

- c. A week of vacation shall consist of seven (7) consecutive days. 10.B.5

3. Scheduling

- a. On or promptly after October 1 of each year, each Employee entitled or expected to become entitled to vacation in the following year shall receive a Company form asking him/her to specify in writing the desired vacation period or periods. The Employee shall return the form to the Company within thirty (30) days. 10.B.6

- b. Vacations will, so far as practicable, be granted at times most desired by Employees (longer service Employees being given preference as to choice), but the final right to allot vacation periods, including on a level load basis, and to change such allotments is reserved to the Company. 10.B.7
- c. Employees will be provided with their vacation schedule at least sixty (60) days prior to the start of their vacation period, but in all cases no later than January 1 of the year in which the vacation is to be taken. 10.B.8
- d. Where an Employee transfers from one seniority unit to another, s/he shall take his/her vacation in accordance with the schedule established in his/her old seniority unit, except as orderly operations of his/her new seniority unit preclude it, and his/her transfer shall not be a basis for altering the schedule established prior to his/her transfer. 10.B.9
- e. Consistent with Paragraphs 3(a) through 3(d) above, Employees shall be permitted to use up to one (1) week (i.e., five (5) days) of their allotted vacation on a day-at-a-time basis. 10.B.10
- f. With the consent of the Employee, the Company may pay him/her vacation allowance, in lieu of time off for vacation, for any weeks of vacation in excess of two (2) weeks in any one (1) calendar year. 10.B.11
- g. The Company may schedule vacations during a shutdown period if it provides affected Employees with sixty (60) days notice. 10.B.12



- h. At the time of his/her retirement, an Employee may elect to receive a lump-sum payment for any unused vacation entitlement. 10.B.13

4. Grievances

Grievances regarding vacation scheduling must be referred to Step 1 of the grievance procedure not later than fifteen (15) days after notification to the Employee of the scheduled vacation (or changed scheduled vacation) is given to the Employee and shall be handled in a manner that assures resolution prior to the disputed date(s). 10.B.14

5. Vacation Rate of Pay

- a. Employees will be paid for each week of vacation the greater of: forty (40) multiplied by the hourly equivalent Salary Rate of Pay of the Employee's incumbent job as of January 1 of the vacation year, or the Employee's average hours worked per week in the preceding year, not to exceed forty eight (48) hours, multiplied by the hourly equivalent Salary Rate of Pay of the Employee's incumbent job as of January 1 of the vacation year (such amount Vacation Rate of Pay). In calculating the Employee's average hours worked, the Company shall include: 10.B.15

- (1) hours worked, 10.B.16
- (2) hours paid for unworked holiday or vacation hours falling in such week, 10.B.17
- (3) hours paid for bereavement leave, 10.B.18
- (4) hours paid for jury or witness duty, and 10.B.19

- (5) hours excused from scheduled work and not paid for because of Union business. 10.B.20
  - b. Effective for the vacation year 2006, Employees will be paid for each week of vacation the greater of: 10.B.21
    - (1) forty (40) multiplied by the hourly equivalent Salary Rate of Pay of the Employee's permanent job as of January 1, of the vacation year, or 10.B.22
    - (2) two percent (2%) of their W-2 earnings in the preceding year excluding profit sharing payments (such amount Vacation Rate of Pay). 10.B.23
  - c. The Daily Vacation Rate of Pay of each Employee shall be the Vacation Rate of Pay divided by five (5). 10.B.24
  - d. The Hourly Vacation Rate of Pay of each Employee shall be the Vacation Rate of Pay divided by forty (40). 10.B.25
  - e. Any Employee who did not work in the prior year shall have his/her Vacation Rate of Pay computed on the basis of his/her last calculated Rate. 10.B.26
6. Vacation Bonus 10.B.27
- A vacation bonus of \$250 per week will be paid to Employees for each week of vacation taken from work in the ten (10) consecutive calendar week period beginning with the first full week following the calendar week containing New Year's Day.

**Section C. Bereavement Leave**

1. In the event of the death of any of the relatives listed below, an Employee, upon request, will be excused and paid for scheduled shifts as detailed below, which fall within a consecutive day period, provided however that one such calendar day shall be the day of the funeral and it is established that the Employee attended the funeral. 10.C.1

<u>Relation</u>	<u>Scheduled Shifts Off</u>	10.C.2
Legal Spouse, Child or Step-Child who lived with the Employee in an immediate family relationship	5	
Parent, Sibling, Step-Parent and Step-Siblings who have lived with the Employee, Mother or Father in-law, Grandparent or Grandchild	3	

2. Payment shall be eight (8) times the Employee's hourly equivalent Salary Rate of Pay. An Employee will not receive bereavement pay when it duplicates pay received for time not worked for any other reason. Time thus paid will not be counted as hours worked for purposes of determining overtime or premium pay. 10.C.3

**Section 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 s/he serves. Service, as used in this Section, includes required reporting for jury or witness duty when summoned, whether or not the Employee is used. The Employee shall receive, for each such day of service on which s/he otherwise would have worked, the difference between the payment received for such service and the amount calculated by 10.D.1

multiplying eight (8) times his/her hourly equivalent Salary Rate of Pay. To receive payment the Employee must present proof that s/he did serve, report for service or was subpoenaed and reported as a witness and the amount of pay, if any, received therefor.

### **Section E. Leave of Absence for Employment with the Union**

1. Leaves of absence for the purpose of accepting positions with the International or Local Unions shall be made available to a reasonable number of Employees. Employees who intend to apply for such leaves shall give the Company adequate notice to enable it to fill the jobs vacated. 10.E.1
2. Leaves of absence for the purpose of accepting or continuing in a temporary position with the International shall be for periods of six (6) months and shall be extended upon request; provided, however, in no event shall an Employee be entitled under this provision to a leave of absence exceeding two (2) years. 10.E.2
3. Leaves of absence for the purpose of accepting permanent positions with the International Union shall be for a period concurrent with the individual's permanent employment with the International Union. When an individual is made a permanent employee of the International Union (by completing his/her probationary period), s/he shall, from that point forward, retain his/her leave of absence status with the Company but shall accrue Continuous Service only for purposes of Article 5, Section E of this Agreement and s/he shall not be entitled to actually receive any contractual benefits during the period of the leave of absence. 10.E.3

4. Leaves of absence for the purpose of accepting positions with the Local Unions shall be for a period not in excess of three (3) years and may be renewed for further periods of three (3) years each. 10.E.4
5. Except as set forth above in Paragraph 3, Continuous Service shall continue to accrue for all purposes under the Basic Labor Agreement and shall not be broken by a leave of absence under this Section. 10.E.5

### **Section F. Service with the Armed Forces**

#### **1. Reemployment Rights**

An Employee who leaves Company employment to enter the service of the Armed Forces of the United States (the Armed Forces) shall be granted all statutory rights to reemployment and other benefits. 10.F.1

#### **2. Training**

An Employee shall be provided with a reasonable program of training in the event s/he does not qualify to perform the work on a job, which s/he might have attained except for his/her service in the Armed Forces. 10.F.2

#### **3. Educational Leave of Absence**

Any Employee entitled to reemployment under this Section who applies for reemployment and who desires to pursue a course of study in accordance with a federal law granting such opportunity shall be granted a leave of absence for such purpose. Such leave of absence shall not constitute a break in Continuous Service provided the Employee reports promptly for reemployment after the completion or termination of such course of study. Any such Employee must notify 10.F.3

the Company and the Union in writing at least once each year of his/her continued interest to resume active employment with the Company upon completing or terminating such course of study.

4. Disabled Returning Veterans

Any Employee entitled to reemployment under this Section who returns with a service-connected disability which makes returning to his/her prior job onerous or impossible shall be provided a reasonable accommodation on that job, or be assigned to an existing vacancy for which s/he is qualified (with a reasonable accommodation if needed) during the continuance of such disability. 10.F.4

5. Vacation Pay

a. An Employee who did not receive but was entitled to paid vacation during the calendar year in which s/he enters the Armed Forces shall be paid an amount equal to the vacation pay to which s/he was entitled. 10.F.5

b. Notwithstanding any other provisions of this Agreement to the contrary, an Employee who is reemployed after being honorably discharged shall be entitled to paid vacation for the calendar year in which s/he is reemployed, provided that no Employee shall be afforded more than one (1) vacation allowance for any one (1) calendar year, at a rate of pay based on his/her earnings for the last full year in which s/he worked prior to his/her serving. 10.F.6

6. Military Encampment Allowance

An Employee 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 (2) weeks in any one (1) calendar year, the difference between the amount paid by the government (not including travel, subsistence and quarters allowance) and his/her applicable Salary Rate of Pay plus any applicable salary differential (Red Circle) for the number of days s/he would have been scheduled to work during such encampment. 10.F.7

**Section G. Family and Medical Leave Act**

The Company shall comply with the Family and Medical Leave Act of 1993 (FMLA) and further agrees to the following regarding employee eligibility and entitlement. Nothing in this Section shall be construed to provide lesser treatment than that required under the FMLA or to deprive any Employee of any right or forum thereunder. 10.G.1

1. General

a. A copy of a summary of the law and Employee rights thereunder is available at the Company's Personnel Services Office for review and will be issued upon request and at the time any FMLA leave is requested. The required posting under the FMLA will be maintained by the Company. 10.G.2

2. Eligibility and Entitlement

a. Leave under this Section shall be available to any Employee who has twelve (12) months or more of Continuous Service calculated pursuant to the Seniority provisions of 10.G.3

this Agreement. There shall be no hours-worked requirement for eligibility.

- b. Any eligible Employee shall be entitled to up to twelve (12) weeks of unpaid leave for FMLA eligible reasons in any twelve (12) month period. This period shall be measured on a rolling twelve (12) month basis, measured backward from the date any FMLA leave is used. Any time taken off in connection with any of the situations covered by the FMLA shall be counted toward the twelve (12) week period, except as otherwise excluded. 10.G.4

3. Pay During FMLA Leave

- a. Employees seeking FMLA leave under this Section may be required to utilize up to one (1) week of unused paid vacation. 10.G.5
- b. An Employee may request to utilize additional paid vacation during the FMLA leave time. The Company reserves the right to approve such a request where it involves a change in the vacation schedule. 10.G.6
- c. Except for the substitution of paid vacation and the utilization of Sickness and Accident, or Workers' Compensation benefits, all time off provided shall be unpaid and shall be considered as time not worked for all other matters. 10.G.7
- d. An Employee on FMLA leave is not eligible for Supplemental Unemployment Benefits in the event of a layoff, until following the termination of the leave. 10.G.8



4. Continuous Service

Leaves of absence under this Section shall not constitute a break in Continuous Service and the period of such leave shall be included in an Employee's length of Continuous Service under this Agreement and all benefit agreements. 10.G.9

5. Benefit Continuation

a. All Employees' benefit coverage will continue during such leave, provided the Employee is otherwise eligible for such coverage under provisions of the FMLA or this Section and the Employee continues making any normally-required premium or other payments in a manner acceptable to the Company. In the event the Employee fails to make such payments, all benefit coverage shall terminate. 10.G.10

b. In the event an Employee fails to return to work or quits after the Employee's FMLA leave period has been concluded, the Company waives its right to recover the cost of health insurance coverage provided by the Company during such leave. 10.G.11

**Section H. Sick Leave**

1. The provisions of this Article shall cover Employees absent from work as the result of personal disability caused by accident or sickness and shall be in lieu of all prior practices and policies pertaining to salary continuance during such absence. 10.H.1

2. Allowances

a. Salary shall be continued during disability as defined in Paragraph 1 of 10.H.2

this Section at the Employee's applicable biweekly Salary Rate of Pay plus any applicable salary differential (Red Circle) in accordance with Paragraph 4 (Table of Limitations).

- b. Salary continuance in accordance with the Table of Limitations shall constitute the maximum payments under this Agreement for an Employee's absences from work due to one or more personal disabilities in any 12-month period; provided, however, that fractional initial pay periods for each disability for which salary is continued shall not be counted in the maximum salary continuance in a 12-month period, any succeeding maximum period shall not commence until another disability following his return to work. 10.H.3
- c. Salary continuance payments shall be reduced by the amount of any Worker's Compensation payments that may be payable to an Employee with respect to the period of salary continuance. 10.H.4
- d. The maximum salary continuance payment for any pay period shall not exceed an Employee's applicable biweekly Salary Rate of Pay plus any applicable salary differential (Red Circle) nor shall any Employee be paid salary continuance in excess of that amount he would have earned at his applicable biweekly Salary Rate of Pay had he not been absent from work due to personal disability. Such salary continuance payment shall not be reduced or discontinued as the result of any demotion or reduction in force which occurs during the 10.H.5

applicable period set forth in the Table of Limitations so long as the Employee remains disabled as defined in Section 1 during such period.

- e. Salary continuance shall not be paid during any period while an Employee is on paid vacation. 10.H.6
- 3. To be eligible for payments under the provisions of this Article, an Employee shall have accrued two years of BLA continuous service prior to the commencement of the biweekly pay period. Reasonable evidence (including, in appropriate circumstances, a certificate from a licensed physician) of disability due to sickness or accident will be required of all Employees regardless of date of hire. 10.H.7
- 4. Table of Limitations 10.H.8

<u>Length of Continuous Service</u>	<u>Maximum Sick Leave Salary Continuance</u>	
	None	None
Less than 2 years	None	None
2 years but less than 5 years	Balance of pay period and	4 pay periods
5 years but less than 10 years	Balance of pay period and	6 pay periods
10 years but less than 15 years	Balance of pay period and	8 pay periods
15 but less than 20 years	Balance of pay period and	10 pay periods
20 years and over	Balance of pay period and	13 pay periods

## ARTICLE ELEVEN - CORPORATE GOVERNANCE

### Section A. Board of Directors

- 1. The Company and the Union acknowledge that every member of the Company's Board of Directors (Board, members of such Board, Directors) has a fiduciary duty to the Company and all of its stockholders. 11.A.1
- 2. The Company's Board has adopted a set of Corporate Governance Principles, 11.A.2

which specify criteria used in selecting candidates for the Board. Such criteria have been made known to the Union.

3. The Company agrees that the Union shall have the right, subject to the procedures described below and the Directors' discharge of their fiduciary duties, to designate two (2) individuals for consideration to serve on the Board.
  - a. The International President shall provide the Board's Chairman with the names and resumes of the individuals whom s/he wishes to have serve on the Board.
  - b. Provided that the individuals are acceptable to the Chairman (it being understood that in all respects each individual will be dealt with separately), such acceptance not to be unreasonably withheld, the Chairman shall promptly recommend such individual(s) to the Board's Corporate Governance and Public Policy Committee, who absent compelling reasons to the contrary, shall promptly recommend such individual(s) to the full Board for election at its next meeting.
  - c. Once elected, the individual(s) shall be recommended by the Board for election by the shareholders to serve a regular term at the Company's next Annual Meeting of Shareholders.
4. If after election, the individual(s) becomes unwilling or unable to serve or the Union wishes to replace one or both of them, the International President shall inform the individual(s) and the Board's Chairman and provide the Board's Chairman with the name of a new

individual(s) whom s/he wishes to have serve on the Board and the process outlined above shall thereafter be followed. In such case the individual(s) previously named by the International President shall be deemed to have undergone a significant change in their business or professional careers and in accordance with the Company's Corporate Governance Principles, such individual shall volunteer to resign from the Board. If such resignation is not accepted, the individual(s) shall no longer be considered to have been designated by the Union.

5. At the time that any person is nominated by the Union as provided in this Section A, said nominee shall acknowledge in whatever fashion such acknowledgement is given by all of the Company's other Directors, that such nominee, if elected to the Board, would have a fiduciary duty to the Company and its stockholders. 11.A.8

### **Section B. Investment Commitment**

1. The Company agrees to make the reasonable and necessary capital expenditures required to maintain the competitive status of the facilities covered by this Agreement. 11.B.1
2. The Union agrees to contribute to the competitiveness of the facilities and work with the Company to maintain the competitive nature of the facilities. 11.B.2
3. The Company agrees that no Plant covered by this Agreement will operate its facilities at other than full capacity, except during maintenance and repair outages, and directly or indirectly replace 11.B.3

the product which could have been produced on such facilities with product obtained from other than Canadian or United States facilities that provide base wages, benefits and protections such as just cause and seniority that are substantially equivalent to those provided in this Agreement.

4. The Company shall make all capital expenditures required to maintain the competitiveness and capacity of facilities within the Plants covered by this Agreement, including investments that increase competitiveness and productivity, unless :
- a. such facilities have been shut down pursuant to provisions of this Agreement; or 11.B.5
  - b. the Company has conducted full and extensive consultation with the Union and fully and carefully considered all Union input concerning the subject Capital Expenditure; and 11.B.6
  - c. making the subject Capital Expenditure would be imprudent. 11.B.7
- With regard to any determination by the Board to not make any Capital Expenditures, it shall be presumed that:
- (1) said determination was made correctly; and 11.B.9
  - (2) making the subject Capital Expenditures would be imprudent for the Company. 11.B.10
5. The Company further agrees that it will not purchase, trade, sell or use, within the United States or Canada, coke or iron ore mined, refined and/or manufactured 11.B.11

outside of the United States or Canada (Imported coke or iron ore) in any given calendar year covered by this Agreement, unless the ratio of the difference between the amount of any Imported coke or iron ore, respectively and the Company's sales of coke or iron ore to third parties then divided by the consumption of coke or iron ore at the facilities covered by this Agreement is no more than .10 in that year.

6. The Company agrees to carefully consider further acquisitions of steel and steel related companies and/or assets suggested by the USWA, including growth opportunities in the area of the value-added manufacturing of steel products. 11.B.12
7. The Company will not pursue any transaction involving steel or steel-related assets in North America without the approval of the USWA. 11.B.13

### Section C. Upstreaming

1. The Company agrees that it will only Upstream in an amount consistent with: the Company's historical, current and projected financial performance and capital spending requirements; the terms of any preferred stock sold for full and fair value and paying a market rate dividend (at the time of issuance); and the maintenance of a reasonable financial position. 11.C.1
2. Without in any way limiting the applicability of Paragraph 1 above, the Company agrees that all transactions (including, without limitation, sales, loans, purchases, leases, guarantees, fees of any kind, and equity transactions) 11.C.2

between the Company and any equity holder or any Affiliate of any equity holder, shall be conducted on an arm's-length basis, on commercially reasonable terms not less favorable to the Company than those that could be obtained from an unrelated third party, and in accordance with any shareholders agreement of the Company. In addition, any loan or similar transaction to any such person shall only be made if it is beneficial to the Company and on terms consistent with the business relationship between such person and the Company. Subject to the foregoing, the Company may engage in transactions with its equity holders and their Affiliates.

3. For the purposes of this Section, *Upstreaming* includes directly or indirectly, paying any dividends on, or making any distributions, exchanges, conversions, retirements, repurchases or redemptions, in respect of the Company's stock. 11.C.3

#### **Section D. Right to Bid**

1. Should the Company decide or be presented with a bona fide offer to sell or otherwise transfer a controlling interest in the corporate entity which owns one or more of its facilities covered by this Agreement, (a Controlling Interest) or all or a portion of one or more of its facilities covered by this Agreement (Facilities) (either or both, the Assets), it will promptly advise the USWA in writing and grant to the USWA the right to organize a transaction to purchase the Assets (a Transaction). 11.D.1



2. The Company will provide the USWA with any information provided to other bidders so that the Union may determine whether it wishes to pursue a Transaction. All such information shall be subject to an executed Confidentiality Agreement. 11.D.2
3. The Company shall promptly notify the USWA of the schedule and/or timetable for consideration by the Company of any possible transaction. The Company will provide the USWA with the greater of (a) forty-five (45) days or (b) the time provided by the schedule and/or timetable given to other interested parties to submit an offer for the Assets, except in the case of an unsolicited offer for a controlling interest in the Company in which case the USWA shall be provided with the time provided by the schedule and/or timetable given to other interested parties. 11.D.3
4. During the period described in Paragraph 3 above, the Company will not enter into any contract regarding the Assets with another party. 11.D.4
5. In the event that the USWA submits an offer pursuant to the above, the Company shall not be under any obligation to accept such offer. However, the Company may not enter into an agreement with regard to the Assets with an entity other than the USWA unless that transaction is superior to the USWA offer. The Company may only deem a proposed transaction superior if its Board of Directors reasonably determines that such transaction is more favorable to the Company and/or its shareholders, taking into consideration 11.D.5

such factors as price, form of consideration, certainty of payment, conditions precedent to closing, competitive factors, and other factors which influence which of the transactions is in the best interests of the Company and/or its shareholders.

6. This Section shall not cover any public offering of equity or the transfer of any assets between the Company and its wholly-owned subsidiaries. 11.D.6
7. The rights granted to the USWA in this Section may be transferred or assigned by the USWA but only on a Transaction specific basis and provided further, that: 11.D.7
  - a. in the event the person or entity to whom such right is transferred or assigned is a competitor of the Company, then the Company may reasonably manage the provision of confidential information to said entity; 11.D.8
  - b. the Union and such person or entity have entered into an agreement satisfying the successorship provisions of Article Two, Section D of this Agreement; and 11.D.9
  - c. in the event of a transaction that does not involve a Controlling Interest and where the Company decides to only pursue, for legitimate business reasons, a transaction which will result in a sale of less than 100% of the Company's interest in the Assets, the USWA's transferee or assignee must be reasonably acceptable to the Company. 11.D.10

### **Section E. Lean Management**

The Company agrees to minimize the ratio of non-bargaining unit employees at the facilities covered by the Agreement, including full-time or full-time equivalent contractors of any sort performing services historically performed by the Company's non-bargaining unit employees and other employees of the Company who work at other locations but whose work is associated with, related to or supports the activities at the facilities (Non-Bargaining Unit employees), to bargaining unit Employees and shall take all reasonable actions (including transferring responsibilities and duties to bargaining unit Employees) with the objective of achieving a ratio of no more than one (1) Non-Bargaining Unit employee for each five (5) bargaining unit Employees, with an absolute commitment to a ratio of no more than one (1) Non-Bargaining Unit employee for each four (4) bargaining unit Employees. 11.E.1

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

1. In the event of any disputes under this Article Eleven the International President of the Union and the Company's Chairman of the Board and Chief Executive Officer, or their designees shall meet and in good faith attempt to resolve the dispute. 11.F.1
2. If they are unable to do so, they may agree upon an arbitration or other mechanism to resolve the dispute. If such alternative arrangements are not agreed to, either Party may proceed to file a lawsuit in the United States District Court for the Western District of Pennsylvania. 11.F.2
3. Each Party hereby irrevocably consents to the jurisdiction of such court and waives any and all objections they may have concerning venue or similar issue. 11.F.3

UNITED STATES STEEL CORPORATION

J. D. Garraux  
Vice President  
Employee Relations

T. J. Zahren  
General Manager  
Employee Relations

R. L. Wynkoop  
General Manager  
Employee Benefits

T. R. Hanson  
Manager  
Labor Relations

UNITED STEELWORKERS OF AMERICA

OFFICERS

Leo W. Gerard  
President

Leon Lynch  
Vice President  
Human Affairs

Andrew V. Palm  
Vice President

James D. English  
Secretary-Treasurer

USWA NEGOTIATING COMMITTEE

Thomas M. Conway  
Chairman of the Negotiating Committee and  
Secretary of the BSIC

Harry E. Lester  
Secretary of the Negotiation Committee and  
Director of District 2

David R. McCall  
Director, District 1

Connie Entrenkin  
Director, District 9

Jim Robinson  
Director, District 7

John DeFazio  
Director, District 10

## INTERNATIONAL OFFICE

Ron Bloom  
Special Assistant  
to the President

Paul Whitehead  
General  
Counsel

Bernard Kleiman  
Assistant to the  
President

Tom Duzak  
Director Pensions  
and Benefits

Emily Newport  
Pension and  
Benefits

Thomas J. Clancy  
Office, Technical  
and Professional

Karin Feldman  
Pension and  
Benefits

Theresa Merrill  
USWA Counsel

## STAFF REPRESENTATIVES

District 1  
Patrick Gallagher

District 2  
Bob Madden  
Art Kroll  
Caesar Randazzo

District 7  
Mike Millsap  
David Dowling

District 9  
Raymond League

District 10  
Richie Pastore  
Lew Dopson  
Andrew Bury

LOCAL UNIONS

<u>District</u>	<u>Locals</u>
1	2354
2	9264
7	2695, 8985, 1899-CT
9	2210
10	1408, 404U-37
11	9115

## APPENDIX A—SALARY GRADES AND SALARIED JOB DESCRIPTIONS

### APPENDIX A-1: SALARIES

AA1.1

Salary Grade	Job	Standard Biweekly Salary Rates of Pay			
		Effective Date	3-31-04	9-30-05	3-31-07
1	Clerical I	\$1200.00	\$1,236.00	\$1272.80	\$1311.20
2	Clerical II	\$1320.00	\$1,360.00	\$1400.00	\$1442.40
3	Analytical/Technical I	\$1460.00	\$1,504.00	\$1548.80	\$1595.20
4	Analytical/Technical II	\$1540.00	\$1,586.40	\$1633.60	\$1682.40
5	Analytical/Technical III	\$1640.00	\$1,689.60	\$1740.00	\$1792.00

### APPENDIX A-2: JOB DESCRIPTIONS

**Position Title: CLERICAL I** AA2.1  
**Salary Grade 1**

Perform routine and repetitive clerical functions, such as: proofreading; receiving visitors; filing; direct posting; data entry; material disbursing; offset printing. AA2.2

**Position Title: CLERICAL II** AA2.3  
**Salary Grade 2**

Perform clerical functions, ranging from those involving a variety of detail and some judgment through those requiring interpretation within established limits and procedures, such as: error correction; material receiving; compiling data where sources are indicated by procedures and instructions; order point determination; compiling various reports requiring limited knowledge of operations. AA2.4

**Position Title: ANALYTICAL/TECHNICAL I** AA2.5  
**Salary Grade 3**

Perform analytical and/or technical functions requiring interpretation and analysis within established procedures, such as: compiling reports which require investigation of supporting data; accelerating order progress; detail scheduling of products for a given production unit; routine repetitive chemical analysis; interpretive physical testing. AA2.6

**Position Title: ANALYTICAL / TECHNICAL II** AA2.7  
**Salary Grade 4**

Perform analytical and/or technical functions requiring more advanced interpretation and analysis, such as: monitoring operating conditions and practices and recommending improvements or changes; scheduling operations requiring a knowledge of production capacities and consideration of factors such as material supplies; specifications analysis; qualitative and/or quantitative chemical analysis. AA2.8

**Position Title: ANALYTICAL / TECHNICAL III** AA2.9  
**Salary Grade 5**

Performs specialized analytical and/or technical functions, requiring general principles in a field and analysis of assignment, such as: design drafting; analyze metallurgical problems in order to develop, correct or improve metallurgical practices; cost estimating and analysis; observe the sequence of operations and recommend corrective measures and improvements for such operations. May include physical and process observations and/or evaluation and interpretation of chemical, physical or metallurgical data. May also install, modify and service various process control systems throughout the operations. May perform administrative duties, and direct and coordinate the work of others. AA2.10



## **APPENDIX B—CONTRACTING OUT AGREEMENTS**

### **APPENDIX B-1: INTERPRETATION OF CERTAIN CONTRACTING OUT LANGUAGE**

1. During the negotiation of the 2003 Basic Labor Agreement, the Parties recognized that certain language changes could mistakenly be interpreted to connote a substantive change where none was intended. AB1.1
2. The Parties hereby expressly agree that the capability standard described in Article Two, Section (F)(1)(a), as well as the headings of Article Two, Sections F(2)(a) and 2(b), are to be interpreted as having the same meanings as those determined by the Board of Arbitration pursuant to the counterpart language set forth in the 1999 Basic Labor Agreement. AB1.2

### **APPENDIX B-2: NON-CORE WORK**

1. The Parties have agreed that the non-core work of janitorial, grounds keeping, and road maintenance services may be contracted out as the number of current incumbents performing such work is reduced by attrition and provided that there are no Employees on layoff at the Plant. Attrition is defined as any permanent move of a current incumbent from such job, including promotion or transfer to another job, as well as leaving the workforce. AB2.1
2. Work contracted out pursuant to this agreement shall not be subject to the provisions of Article Two, Section F(3), ("Commitment") of the 2003 Basic Labor Agreement. AB2.2

### APPENDIX B-3—TRANSITION WORK AT NATIONAL FACILITIES

1. As a result of the need to transition the former National facilities to USS systems and business practices, a certain amount of work may need to be contracted out. Accordingly, the Parties mutually agree that the following work may be contracted out at the former National facilities for a period of six months following the Effective Date of the 2003 Combined Company Basic Labor Agreement: AB3.1
  - a. Installation/modification/upgrade of plant and gate/access control systems including TIMES system. AB3.2
  - b. Installation/modification of plant security systems. AB3.3
  - c. Installation/modification/upgrade of computer hardware, software, networks, and systems infrastructure including phone and communications systems. AB3.4
  - d. Facilities infrastructure assessment, including engineering inspections. AB3.5
2. If, after the expiration of the six-month period, the Company believes it is necessary to extend the period, the Chairs of the Company and Union Negotiating Committees shall discuss the need and resolve the matter. AB3.6

### APPENDIX B-4: FAIRFIELD WORKS CONTRACTING OUT AGREEMENT

The Parties reached certain understandings during negotiations for the 2003 Basic Labor Agreement regarding the use of contractors to perform certain full-time work inside the Plant at Fairfield Works. It is agreed AB4.1

that the Company may no longer rely on provisions in the December 24, 1983 Fairfield Works Agreement to have contractors perform full-time maintenance and repair work inside the Plant. Accordingly, the Parties have agreed to the following process to displace said contractor employees:

1. The Company will use its best efforts to add a total of twenty (20) Employees to the Bull Gangs (Maintenance Technicians, Labor Grade 4) within thirty (30) days of the Effective Date of the 2003 Basic Labor Agreement. The twenty (20) may be comprised of internal bidders from across Fairfield Works, IJOP transfers or new hires, including individuals currently performing work at Fairfield for a contractor. AB4.2
2. Promptly following the Effective Date, the Company will post a notice at its other Plants advising IJOP-eligible Employees of potential Maintenance Technician opportunities at Fairfield Works. AB4.3
3. Promptly following the Effective Date, the Company will inform the employees of Fairfield Southern by way of an appropriate posting of Maintenance Technician opportunities for qualified candidates at Fairfield Works. Qualified employees of Fairfield Southern will be considered before other non-Employees. AB4.4
4. Promptly following the Effective Date, the Company will solicit interest from among current contractor employees for Maintenance Technician opportunities at Fairfield. AB4.5
5. Promptly following the Effective Date, appropriate Company representatives will meet with Contract Coordinator Mullins to discuss implementation of a Maintenance Technician learner/trainee AB4.6

program. Unless otherwise agreed, the Company shall implement a program based upon the Clairton Works program for Mechanical and Electrical Repairmen. The program established for Fairfield shall conform to the provisions of Appendix A-3 of the 2003 Basic Labor Agreement. The trainee/learner program shall be designed to produce a fully qualified Maintenance Technician.

6. During the sixty (60) days following the Effective Date, the local parties shall jointly review contractor utilization inside Fairfield. The purpose of this review shall be to identify the amount of full-time maintenance and repair work being done by contractors and to determine the number of Employees that need to be added to the Bull Gangs to absorb such work. For the Union, this effort will be led by Coordinator Mullins, who may be assisted by a representative from each of the affected Local Unions appointed by the Local Union Presidents. The Parties agree that limited scope maintenance personnel need to become qualified Maintenance Technicians, and shall be provided with the opportunity for training to make that possible. It is understood that the Company shall not be required to hire or train Employees to be limited scope maintenance personnel such as Carpenters. It is agreed that the shops other than the Line Crew Shop and Electronic Shop may continue to be phased out through attrition. During the phase out of these shops, it is agreed that work in the category of each of these shops that is not capable of being performed by the Bull Gangs may be contracted out, provided that the Employees remaining in those shops

AB4.7

post-TAP are offered forty (40) hours of work per week plus reasonable overtime opportunity.

7. Displacement of such full-time contractors shall be accomplished through a combination of assignment of such work to existing Employees, hiring and the trainee/learner program. Contractor employees performing this full-time work will be displaced as quickly as possible, consistent with the need for stable operations. AB4.8
8. The Bull Gangs may be assigned throughout Fairfield Works without restriction, so long as they are not assigned to a department on a full-time basis to replace qualified maintenance Employees who are laid off. AB4.9
9. Employees must achieve a passing score on the test utilized to determine ability to perform the work of a Maintenance Technician at the standard rate in order to qualify for the Labor Grade 4 rate of pay. AB4.10
10. The local parties shall be required to provide periodic reports, as requested by the Chair of the respective Negotiating Committees, concerning the training and hiring of Maintenance Technicians at Fairfield and the progress toward displacing the contractor employees as described above. AB4.11
11. In addition to the above, the Company agrees to cease using contractor employees for crane lubrication work. AB4.12
12. If the local parties cannot agree on matters involving the implementation of this agreement, the dispute will be referred to the Chairs of the Negotiating AB4.13

Committees. If the Chairs are unable to resolve the matter, it may be appealed by the Union to the Board of Arbitration. The Board shall decide the matter based on the terms set forth in this agreement.

13. Notwithstanding Article Two, Section F(6)(a), other than as modified by this agreement, agreements permitting contracting out in effect at Fairfield prior to the Effective Date of the 2003 Basic Labor Agreement shall remain in effect. Compliance with this agreement fully satisfies the provisions of Article Two, Section F(3) of the 2003 Basic Labor Agreement. AB4.14
14. The use of contractor employees to perform the full-time work covered by this agreement may continue only until such employees are phased out and replaced by Bull Gang Employees, which must be done as quickly as practical. AB4.15

## **APPENDIX C—RESTRUCTURING**

### **APPENDIX C-1: WORKPLACE RESTRUCTURING AND PRODUCTIVITY**

1. The Parties recognize that employment security and productivity improvement must be inseparably linked if the Company is to attain sustained profitability. During the course of the negotiations leading to the 2003 Basic Labor Agreement, the Parties agreed to workplace restructuring. The objective of this restructuring is to maximize efficiency by having employees perform a broader range of duties and by eliminating jurisdictional and other barriers, which would interfere with AC1.1

maximizing flexibility and productivity. This process began by replacing the hundreds of jobs existing under the 1999 USS and National BLAs and agreeing to new lines of progression ("LOP") for these new jobs.

2. In order to achieve the workplace restructuring objective, the Parties have agreed to the following to govern its implementation: AC1.2
  - a. A box (e.g., Analytical/Technical I, Salary Grade 3) in a LOP represents a position to which an Employee may hold incumbency. Former job titles listed inside a box in a LOP represent the duties of the position encompassed by that position box. Such a former job title is not a "job" as that term is used in the August 1, 1999 Basic Labor Agreement. AC1.3
  - b. Employees may be assigned to perform any function within their new position descriptions that they are capable of safely performing. Rotation through the various functions encompassed by the new positions will be necessary and required to provide and maintain job knowledge and skills. AC1.4
  - c. In periods of stable operations, where Employees have been fully trained such that maximum workforce flexibility and productivity is achieved, Employees may select their preferences to repetitive routine assignments within a new position box and shift preferences on the basis of seniority. These preferences will be honored, provided that the exercise of such preferences does AC1.5

not interfere with new or refresher training, or the efficient utilization of the workforce. To this end, Employees may be temporarily reassigned to duties other than their preferred assignment as required by operations.

- d. Existing local seniority agreements and local working conditions will be eliminated or modified as appropriate to implement the new seniority structures and achieve the restructuring objective. Those seniority agreements and local working conditions unaffected by the foregoing will be preserved. Following implementation of the new seniority structures, Article Five, Section A and Article Five, Section E(2)(b) shall apply. AC1.6
- e. Disputes over the implementation of this Appendix on Workplace Restructuring shall first be discussed by the Local Union President and Grievance Chair and the Plant Manager or his designated representative. Should agreement not be reached, the Local Union President may notify the Chairs of the Negotiating Committee that a dispute exists. The Chairs (or their designees) shall promptly meet and attempt to resolve the dispute. Should resolution not be achieved, the Union Chair may appeal the dispute to the Board of Arbitration. The matter will promptly be heard by the Chairman, if available, and the decision shall be final and binding only for the specific dispute presented. The Board shall have authority to resolve questions of procedure that AC1.7



may arise in the course of such arbitrations. The sole issue before the Board shall be whether the disputed implementation action violates this Appendix.

### **APPENDIX C-2: LAYOFFS DURING RESTRUCTURING**

No Employee will be laid off solely as a result of the initial workplace restructuring. Similarly, no Employee will be displaced to a Labor Grade lower than that to which he otherwise would have been slotted solely as the result of the initial workplace restructuring.

AC2.1

### **APPENDIX C-3: TRAINING FOR NEW OR RESTRUCTURED JOBS**

1. The Parties agree that the right to adequate training is fundamental to achieving the safe and successful implementation of our agreement to restructure jobs and the workplace.
2. Notwithstanding anything in the Agreement to the contrary, Employees who were, on the Effective Date, incumbents in a job which has subsequently been combined into a new or restructured job shall, subject to their seniority and the number of available positions, be provided an opportunity to be placed in such new or restructured job.
3. The Parties recognize that certain new and/or restructured jobs may require skills, which certain newly incumbent Employees do not possess. In light of this situation, the Company agrees to provide Employees who do not have the required skills for their new or restructured jobs with reasonable training

AC3.1

AC3.2

AC3.3

- opportunities to ensure competent job performance.
4. In the event that, despite the efforts described in Paragraph 3 above, the Employee is not capable of acquiring the new job skills, then the Company shall be relieved of its obligation to provide further training and the Employee shall be placed on a vacancy for which the Grievance Chair and the Plant Manager mutually agree he/she is qualified. AC3.4
  5. The training programs necessary to carry out the provisions of this letter of understanding will be conducted during the Employee's normal working hours. AC3.5
  6. No Employee will be disciplined for poor job performance that results from a failure of the Company to provide training pursuant to this letter of understanding or for failure to acquire new skills when returning to a new or restructured job. AC3.6
  7. The Parties agreed that in order to maintain competent job performance, continuing familiarization and rotation within various assignments related to new and restructured job descriptions is both required and necessary. AC3.7

## **APPENDIX D—FORMER NATIONAL FACILITIES**

### **APPENDIX D-1: ICD AT NATIONAL STEEL FACILITIES**

The Parties reached the following understanding during the negotiation of the 2003 Basic Labor Agreement regarding the Company's assumption of certain National Steel Corporation ICD liabilities. The Company agrees to assume responsibility for AD1.1

National Steel Corporation's ICD liability accrued as of the effective date of this Agreement. In addition, the Company agrees that it will honor approved National Steel ICD budgets for the year 2003.

#### **APPENDIX D-2: TRANSITIONAL MATTERS APPLICABLE TO USWA-REPRESENTED EMPLOYEES AT FORMER NATIONAL STEEL FACILITIES**

The document concerning transitional matters applicable to USWA represented Employees at former National Steel plants is part of this Basic Labor Agreement by reference and may be found in Exhibit C-1 to Appendix EE of the 2003 Settlement Agreement. AD2.1

#### **APPENDIX E—TRANSITION MATTERS**

The Transition Assistance Program and related documents are part of this Basic Labor Agreement by reference and are included in Appendix EE of the 2003 Settlement Agreement. AE.1

#### **APPENDIX F—UNION OFFICER BIDDING RIGHTS**

1. The Parties recognize that Employees should be neither advantaged nor disadvantaged because of their involvement in the Union. The Parties also recognize the legitimacy of the Company's need to insist upon making regular and dependable attendance a requirement when making assignments to jobs, where maintaining continuity is an important element of the position. AF.1

2. This will confirm our understanding that, in order to balance and accommodate the concerns referenced above, no Local Union officer eligible to bid for a promotion shall be denied a job award and incumbency status on the position sought solely because of that Employee's unavailability for work due to the duties attendant their Local Union position. However, where a Local Union officer is awarded a job and becomes incumbent to a position that otherwise would have been denied to him because of unavailability due to his Local Union position, the Company, at its discretion, may decide to withhold assigning such Employee to that position until such time as he is available to perform the job as required. Instead, during any period of unavailability, the Company may assign another Employee, who can meet the job's attendance requirements, to work the position. When a Local Union officer is working below his incumbency status solely because of such Company action he shall receive a special allowance reflecting any difference in wages between what the Local Union officer earned while at work on the lower position and what the Employee, assigned by the Company to work on his incumbent position, was paid on turns when the Local Union officer was working on the lower position. AF.2
3. This understanding supersedes prior inconsistent arbitration awards. It will apply to permanent vacancies awarded on or after the effective date of this Agreement. AF.3

## **APPENDIX G—EXPERIMENTAL GRIEVANCE SCREENING**

### **APPENDIX G-1: EXPERIMENTAL GRIEVANCE SCREENING PROCEDURE**

The Parties recognize that it is desirable to resolve grievances without the need to resort to arbitration. In furtherance of that recognition the Parties agree to establish an Experimental Grievance Screening Procedure (hereinafter "Procedure") for the term of the May 20, 2003 Basic Labor Agreement

1. Except as provided for in Appendix H-2, the Procedure shall be invoked only where mutually agreed to by the International Union President or his designated International Union representative and a member of the company's Headquarters Labor Relations staff (hereinafter "screening representatives").
2. The screening representatives, if they elect to employ the Procedure, shall mutually schedule dates for Procedure meetings (hereinafter "screening meetings") and agree upon case agendas. No grievance shall be eligible for consideration under the procedure until docketed for arbitration or unless mutually agreed to by the Parties designated Step 3 representatives.
3. The screening representatives shall mutually select the arbitrator (hereinafter "screening arbitrator") who will make determinations in accordance with this Procedure.
4. The screening representatives will jointly submit the official grievance record(s) of each scheduled case to the designated screening arbitrator no later than 30 days prior to the date of the screening meeting.

5. Attendance at the screening meeting shall be limited to: the screening arbitrator, a representative from the International Union, no more than two representatives of the grievance committee, a member of the Company Headquarters Labor Relations staff, and the Plant Manager of Labor Relations or his/her representative. AG1.6
6. The Company, Union and screening arbitrator will review and analyze the issue presented by each grievance in an effort to fully determine its merit or lack of merit. AG1.7
7. The screening Arbitrator will immediately advise the Parties as to his/her interpretation of the issues presented and as to how s/he would decide the case if such case were presented to arbitration. The Parties are not obliged to follow the screening arbitrator's recommendations and retain the right to pursue the grievance. The screening arbitrator's recommendation and statements, as well as all positions and arguments advanced by either Party concerning that grievance, shall not be introduced or in any way mentioned in any subsequent hearing before the Board of Arbitration. AG1.8
8. If a grievance is not resolved pursuant to the Procedure, and is later heard before the Board of Arbitration, the screening arbitrator will not be assigned to decide the case. AG1.9
9. In the event the Parties agree to resolve a grievance or grievances, that agreement shall be in writing and signed by a representative of the International Union and a member of the Company's AG1.10

Headquarters Labor Relations Staff.  
Such agreements shall not serve as precedent nor may they be referred to any other case.

## **APPENDIX G-2: IMPLEMENTATION OF THE GRIEVANCE SCREENING PROCEDURE**

1. The Parties agree that it would be desirable to attempt to reduce the backlog of grievances docketed at the Board of Arbitration and to implement procedures aimed at preventing future backlogs. To this end, it is agreed that the Experimental Grievance Screening Procedure set forth in Appendix H-1 will be invoked with respect to grievances docketed by the Board as of the Effective Date of this Agreement at each location where a given Local Union has in excess of 150 grievances so docketed. AG2.1
2. With respect to grievances docketed by the Board of Arbitration subsequent to the Effective Date of this Agreement, it is agreed that as of the end of the first calendar month where the number of such grievances from a given Local Union docketed by the Board reaches 150, the Appendix H-1 procedure will be invoked with the result that the number of such docketed grievances remaining unscreened is reduced to no more than 100 within 45 days. Thereafter, the number of docketed unscreened grievances from that Local Union will be counted at the end of each succeeding month and where the number of such grievances exceeds 150, the Appendix H-1 procedure similarly will be invoked so that the number of docketed, unscreened grievances counted for that month will be reduced to no more than 100 within 45 days. AG2.2

3. The logistics surrounding the implementation of the screening procedure at each location will be agreed to by a designated representative of the Company Headquarters' Staff and a designated representative of the International Union. Where appropriate, the Parties may agree to pre-screening procedure meetings where matters such as the types of issue involved and opportunities for settlement may be discussed. AG2.3

### APPENDIX H—RETENTION OF PREEXISTING AGREEMENTS

1. All Other USS Agreements and Other National Agreements are continued in full force and effect unless:
- a. expressly modified by this LOA; or AH.2
  - b. in conflict with the USS-National CBA. AH.3
2. To avoid misunderstanding concerning the above, the Parties agree that the following agreements shall be continued:
- a. East Chicago Tin Agreement dated February 26, 2001, AH.5
  - b. Gary Coke 6-year Agreement, AH.6
  - c. Fairless Agreement dated October 19, 2001, and AH.7
  - d. The Provisions of the Fairfield Agreements not relating to contracting out (except as otherwise agreed to by the Parties). AH.8
3. To avoid misunderstanding concerning the above, the Parties agree that the following agreements shall be terminated: AH.9



- a. Gary Attrition Rate Reduction Plan Agreement dated March 18, 1994, and AH.10
- b. Provisions of the Fairfield Agreements relating to contracting out as determined in the 2003 negotiations. AH.11

## **APPENDIX I—APPLICABILITY OF NEUTRALITY**

1. During negotiations the Parties carefully reviewed activities conducted at the existing non-union Ventures of the Company. These discussions established that none of those operations engages in the making of steel or the mining of iron ore. With that importantly in mind, the Parties agree that the Neutrality Section will under no circumstances apply to the current location of an entity which is a Venture of the Company as of March, 29, 2003 (hereinafter "Exempted Entity") provided that after March 29, 2003 (1) the Company does not increase its ownership in, or acquire the right to direct the management and policies of the Exempted Entity such that it becomes an Affiliate, (2) the Exempted Entity does not materially change the nature of its business activities at such location, and (3) the Exempted Entity does not materially expand its facilities. AI.1
2. In the event that any of the above conditions are no longer satisfied at an Exempted Entity, then the Neutrality Section shall be immediately fully applicable at such Exempted Entity. AI.2

3. As of March 29, 2003 the only entities potentially meeting this criteria, their current location, and the nature of the business activities conducted at such location are: AI.3
  - a. PRO-TEC Coating Company, Leipsic, OH (sheet finishing and processing) AI.4
  - b. Worthington Specialty Processing, Jackson, MI (sheet finishing and processing) AI.5
  - c. USS/CHC, doing business as Delta Tubular Processing – Houston, TX (pipe finishing and processing) AI.6
4. Notwithstanding the exemption from Neutrality Section coverage described above, the Company agrees to use its best efforts to: AI.7
  - a. Convince the Board of Directors and Management at the Exempted Entities referred to above to accept the Neutrality clause, Article Two, Section E of the Basic Labor Agreement. AI.8
  - b. Arrange for a meeting between the Management of each such Exempted Entity, the Union and the Company, at which meeting the Company will clearly express its support for the Exempted Entity accepting the terms of the Neutrality clause, Article Two, Section E of the Basic Labor Agreement. AI.9
  - c. Take other similar actions as may be mutually agreed to by the Company and the Union. AI.10
5. In addition, the Parties agree that the Neutrality Section will under no AI.11

circumstances apply to unrepresented employees of the Company located at its Headquarters. The Company's Headquarters is currently located at 600 Grant Street, Pittsburgh, PA.

### **APPENDIX J—USWA REPRESENTED EMPLOYEES OF FUTURE ACQUIRED FACILITIES**

In the event that U.S. Steel purchases the assets of another steel company during the term of the 2003 Basic Labor Agreement, and the employees of that company are covered by a United Steelworkers of America Basic Steel Labor Agreement, such employees will be credited with their Basic Labor Agreement Service with that company, in the same manner as was done with National Steel employees pursuant to Article Five, Section E(3)(b). AJ.1

### **APPENDIX K—INFORMATION REQUESTS REGARDING NEW HIRES**

Monthly lists of new hires and transfers into the bargaining unit will be made available upon request at the plant level to the Financial Secretary of each Local Union. If the number of additions is sufficient to justify reporting on a more frequent basis, an effort will be made to do so. It should be understood that in the interest of prompt reporting these lists will be preliminary and, accordingly, subject to verification by the regular monthly Union membership and checkoff list which will be transmitted in accordance with existing procedures. AK.1

## APPENDIX L—TUITION ASSISTANCE PLAN

1. *Purpose.* The purpose of the Tuition Assistance Plan (The Plan) is to aid and encourage eligible employees to supplement their education on their own time in order to assist them in maintaining and improving their working skills. This may be done through an approved program leading to a recognized degree or by individually approved courses subject to the provisions of this Section. AL.1
  
2. *Coverage*
  - a. *Employee Eligibility.* All Employees actively at work (other than part-time employees), with two years or more of continuous service, are eligible to participate in the Plan. Approval for participation is based on concurrence by Management the proposed course of study or degree program meets the requirements of subsection b below. An eligible Employee must secure the prior approval of Management to undertake a specific course of study at a specific institution. To qualify the course must be taken on the Employee's own time and approved when the Employee is actively at work. The course must be of such a nature that it will not interfere with the Employee's performance of his/her regular duties. In case an eligible Employee quits or is discharged prior to completion of an approved course of study, he shall not be entitled to any financial assistance under this Plan. AL.2

- b. *Course Requirements.* Courses to be taken by eligible Employees must cover recognized undergraduate or graduate courses or individually approved courses such as certain correspondence courses. These may include courses leading to a degree or professional certification. The course must be made up of content that has not been covered under any previous financial assistance under the Plan or that is not offered at reasonable intervals at the Employee's location under training programs or the Corporation's Advanced Technical Study Program, except as may be required for degree or professional certification purposes and similar no-grade, noncredit courses are not eligible for financial assistance. AL.3

### 3. *Financial Assistance*

When an approved course has been satisfactorily completed, the Corporation will refund to eligible Employees fifty percent (50%) of the cost of tuition. Registration, laboratory and other fees required by the institution, less state or federal taxes, if any are applicable, subject to the following conditions: AL.4

- a. The maximum amount of any financial assistance shall be \$400.00 within any twelve (12) month period. AL.5
- b. The cost of related expenses such as books, special laboratory equipment, refundable laboratory (breakage) fees, transportation, meals or postage will not be reimbursed. AL.6
- c. Certain special fees are the responsibility of the employee such as AL.7

Entrance Examination Fees, Late Registration Fees, Substitute Examination Fees, or fees of like nature caused by the Employee's individual desires or failures to act.

- d. The Employee must submit evidence of satisfactory completion of an approved course and receipts showing the amount of tuition or fees paid. Satisfactory completion of a course means the level of performance designated by the institution as passing. AL.8
  
- e. Employees participating in the program who are eligible to receive tuition benefits resulting from service in the armed forces, federal aid or scholarship aid will be eligible to receive from the Corporation only fifty percent (50%) of the portion of tuition and required fees not covered by such benefits. AL.9
  
- f. Financial assistance for approved courses completed satisfactorily while the Employee is on leave of absence or layoff will be paid, provided the Employee was actively at work at the time his/her participation in the course was approved. No financial assistance will be payable for courses taken or contracted for prior to employment or while the Employee is on leave of absence or layoff status, even though he may complete them after returning to active employment. AL.10
  
- g. An Employee who is unable to continue an approved course because of action by the Company (other than discharge), or because of a change in his job or job assignment shall be AL.11

reimbursed fifty percent (50%) of the difference between the amount of his advance payments for tuition, registration, laboratory and other fees required by the institution, and the amount of the refund to which the student may be entitled by the institution's regulations by virtue of the discontinuance of the course.

4. *Administration.* All Employees' applications for participation in this Plan must be filed by the Employee with the appropriate responsibility at the employing location sufficiently in advance of the start of a course to allow Management to complete all approvals AL.12

#### **APPENDIX M—SERVICE BONUS**

1. The purpose of this Service Bonus Plan (SBP) is to provide a bonus for hours worked by eligible Employees, with the amount of bonus per hour increasing in relation to the Employee's length of continuous service. AM.1

2. Definitions

When used in this SBP or in any agreement relating thereto, the following terms are intended to have the meaning set forth below: AM.2

a. "Employees covered by this SBP" are Employees covered by the Basic Labor Agreement. AM.3

b. "Eligible Employees" are Employees covered by this SBP who have 5 or more years of continuous service as of the calculation date and who have some hours worked in the calculation period. AM.4

c. Calculation Period

- August 1, 2002 through July 31, 2003 AM.5
- August 1, 2003 through July 31, 2004
- August 1, 2004 through July 31, 2005
- August 1, 2005 through July 31, 2006
- August 1, 2006 through July 31, 2007
- August 1, 2007 through July 31, 2008

d. "Calculation Date" is the last day of each calculation period. AM.6

e. "Continuous Service" is the continuous service of an Employee as determined for pension purposes under the Company's non-contributory pension plan. AM.7

f. "Hours Worked" are the hours worked by Employees covered by this SBP on jobs in the bargaining unit covered by the Basic Labor Agreement. AM.8

g. "Service Bonus Pool" is an amount determined for each calculation period by multiplying 55 cents by the sum of all hours worked during the calculation period and adding thereto 55 cents for each hour an Employee of the Company not covered by this SBP works on a job in the bargaining unit covered by the this Agreement. AM.9

3. Service Bonus

a. Each eligible Employee shall be paid a Service Bonus, calculated for each calculation period by multiplying the Employee's bonus credits for the calculation period by the bonus payment rate for such calculation period. AM.10

b. The bonus credits for each eligible Employee shall be determined by AM.11



multiplying (1) the sum of the number of hours worked by the Employee at straight time plus 1.5 times the number of hours worked by the Employee at overtime rates in the calculation period by (2) the bonus credit factors shown in the following table, determined on the basis of the Employee's years of continuous service as of the calculation date:

- |    |                           |                            |       |
|----|---------------------------|----------------------------|-------|
| c. | <b>Years of Service</b>   | <b>Bonus Credit Factor</b> | AM.12 |
|    | 5 but less than 10 years  | .5                         |       |
|    | 10 but less than 15 years | .8                         |       |
|    | 15 but less than 20 years | 1.1                        |       |
|    | 20 but less than 25 years | 1.4                        |       |
|    | 25 but less than 30 years | 1.7                        |       |
|    | 30 but less than 35 years | 2.0                        |       |
|    | 35 but less than 40 years | 2.3                        |       |
|    | 40 years and over         | 2.6                        |       |
- d. The bonus payment rate for a calculation period shall be the result determined by dividing the sum of all the bonus credits of all eligible Employees for the calculation period into the Service Bonus Pool for such calculation period. AM.13
- e. The Service Bonus will be paid with the pay for the first pay period closed in November following the applicable calculation period. AM.14
- f. No Service Bonus will be payable to any Employee for the calculation period in which the Employee quits or is discharged. AM.15
- g. Except as provided in Subsection e above, if an Employee covered by this SBP ceases to be so covered during a calculation period and after completing at least five years of con- AM.16

tinuous service, payment of a Service Bonus is to be made to the Employee or on the Employee's behalf as though the Employee had continuous service on the calculation date equal to the continuous service the Employee had on the date coverage by this SBP ceased.

- h. Service Bonus shall be payable only for hours worked, as described above, and 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. AM.17
- i. At the time of payment of the Service Bonus for each calculation period, the Company will provide the International Union and the Local Union with a report, on the form agreed upon, covering the operation of the Service Bonus Plan for such calculation period. AM.18

#### **APPENDIX N—OFFICE AND TECHNICAL BARGAINING UNIT AT MINNESOTA ORE OPERATIONS**

The parties agree that the Agreement covering the Office and Technical Bargaining Unit at Minnesota Ore Operations constitutes a separate labor agreement, the terms and conditions of which shall, with the exception of the provisions described below, be those set forth in this Basic Labor Agreement covering Office and Technical Employees. Bold Text indicates a difference between the Minnesota Ore Operations O & T BLA and the O & T BLA. AN.1

1. Article Two, Section A(1) shall state: AN.2

The Company recognizes the Union as the exclusive representative of a bargaining unit made up of individuals occupying salaried office clerical, salaried technical and salaried mine clerical jobs at Minnesota Ore Operations. Individuals within this bargaining unit shall be known as "Employees." The term "Employees" excludes only production and maintenance bargaining unit employees, managers, confidential employees, supervisors and guards as defined under the National Labor Relations Act. Individuals who are employed by the Company and are not in this bargaining unit shall be known as "non-bargaining unit employees." Individuals who are in the bargaining unit and those who are not in the bargaining unit shall be known collectively as "employees." AN.3

2. Article Five, Section C(7)(a) shall state: AN.4

The Company may adopt alternative work schedules consisting of ten (10) or twelve (12) hour per day scheduling with the approval of the Local Union President/Unit Chair, the District #11 Director and sixty percent (60%) of the Employees who are impacted by the alternative schedule. AN.5

3. Temporary vacancies in the salaried assignments of Quality Assurance Coordinator and Expediter will be filled in accord with the existing agreements in the local parties. AN.6

## APPENDIX O—PLANTS COVERED BY THE BLA

<b>Salaried Office and Technical</b>	<b>Location</b>	AO.1
USS Clairton	Clairton, PA	
USS East Chicago Tin	East Chicago, IN	
USS Edgar Thomson	Braddock, PA	
USS Fairfield	Fairfield, AL	
USS Fairless	Fairless Hills, PA	
USS Gary Sheet and Tin	Gary, IN	
USS Gary Steel	Gary, IN	
USS Granite City	Granite City, IL	
USS Great Lakes	Ecorse, MI	
USS Irvin	Dravosburg, PA	
USS Lorain Tubular	Lorain, OH	
USS Midwest	Portage, IN	
USS Minnesota Ore Operations	Mt. Iron, MN	

# 2003

## JANUARY

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## FEBRUARY

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## MARCH

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## APRIL

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## MAY

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## JUNE

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## JULY

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## AUGUST

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## SEPTEMBER

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## OCTOBER

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## NOVEMBER

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## DECEMBER

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# 2004

## JANUARY

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## FEBRUARY

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## MARCH

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## APRIL

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## MAY

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## JUNE

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## JULY

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## AUGUST

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## SEPTEMBER

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## OCTOBER

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## NOVEMBER

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## DECEMBER

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# 2005

JANUARY							FEBRUARY							
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MAY							JUNE						
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JULY							AUGUST						
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SEPTEMBER							OCTOBER						
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NOVEMBER							DECEMBER						
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# 2006

## JANUARY

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## FEBRUARY

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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

## MARCH

SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

## APRIL

SUN	MON	TUE	WED	THU	FRI	SAT
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

## MAY

SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

## JUNE

SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

## JULY

SUN	MON	TUE	WED	THU	FRI	SAT
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

## AUGUST

SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

## SEPTEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

## OCTOBER

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

## NOVEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

## DECEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						



# 2007

## JANUARY

SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

## FEBRUARY

SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

## MARCH

SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

## APRIL

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

## MAY

SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

## JUNE

SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

## JULY

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

## AUGUST

SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

## SEPTEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

## OCTOBER

SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

## NOVEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

## DECEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

# 2008

## JANUARY

SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

## FEBRUARY

SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	

## MARCH

SUN	MON	TUE	WED	THU	FRI	SAT
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

## APRIL

SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

## MAY

SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

## JUNE

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

## JULY

SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

## AUGUST

SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

## SEPTEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

## OCTOBER

SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

## NOVEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

## DECEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			