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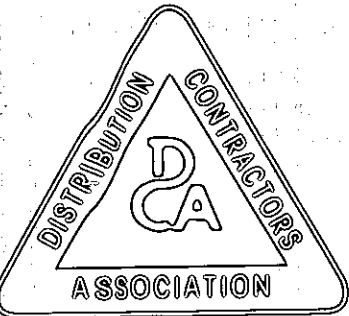
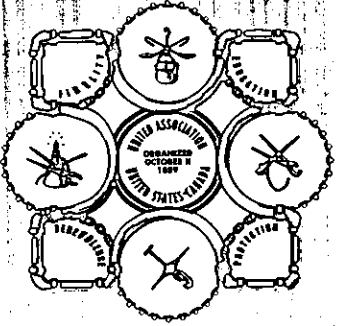
200,000 workers

November 16, 1999 to November 15, 2004

17 pgs.

JIC 1623
NAICS 23491

United Association National Distribution Contractors Association Agreement



**United Association of Journeymen and Apprentices
of the Plumbing and Pipe Fitting Industry of
the United States and Canada**

**UNITED ASSOCIATION
NATIONAL DISTRIBUTION AGREEMENT**

Effective November 16, 1999 to November 15, 2004

**UNITED ASSOCIATION OF JOURNEYMEN AND
APPRENTICES OF THE PLUMBING AND PIPE FITTING
INDUSTRY OF THE UNITED STATES AND CANADA**

901 Massachusetts Avenue, N. W.

Washington, D.C. 20001

202/628-5823

202/628-5024 (FAX)

DISTRIBUTION CONTRACTORS ASSOCIATION

Wood Creek Plaza

101 West Renner Road - Suite 250

Richardson, Texas 75082

972/680-0261

972/680-0461 (FAX)

National Distribution Pipeline Agreement

AGREEMENT made by and between the DISTRIBUTION CONTRACTORS ASSOCIATION, its contractor members and such other Distribution Contractors who execute an acceptance of the terms and provisions of the Agreement, hereinafter referred to as the "Employer", and the UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND CANADA (AFL-CIO), hereinafter referred to as the "Union".

WITNESSETH

WHEREAS, the employer and the Union recognize that the Union has rightful jurisdiction over all piping installations regardless of material used; it is further recognized that the installation of piping in the gas distribution pipeline construction industry differs, in large measure from the ordinary piping installation in that employees covered by this Agreement are required to work simultaneously with other crafts who have jurisdiction over certain work involved in the gas distribution pipeline construction industry; and

WHEREAS, this Agreement is entered into with the understanding that the Union does not waive any work considered to be within the jurisdiction of the Union; and

WHEREAS, the Employer and the Union desire to mutually establish and stabilize wages, hours and working conditions in the gas distribution pipeline construction industry in order that the work covered by this Agreement may proceed in an expedient and economic fashion;

NOW, THEREFORE, the undersigned Employer and the Union, in consideration of the mutual promises and covenants herein contained, agree as follows:

ARTICLE I COVERAGE

A. This Agreement shall apply to and cover all gas distribution pipeline construction work coming within the jurisdiction of the Union, contracted for or performed by Employer within the United States, as such work is more fully described below.

B. Gas distribution pipeline work coming under this Agreement is as follows:

This agreement covers the rates of pay, rules and working conditions of all *Welders, Journeymen, Helpers/Apprentice, and Tradesmen* engaged in the construction, installation, and reconditioning of gas distribution pipelines within cities, towns, or sub-divisions, or suburban areas of within legal easements secured by the utility company for the purpose of containing piping, meters, or any gas appurtenance which would be considered a part of the distribution system. Therefore: This agreement shall apply to and cover all gas distribution pipeline work performed by Welders, Journeymen, or Tradesmen/Graded Helper/Helper Apprentice including, but not limited to, the installation, dismantling, repairing, reconditioning, adjusting, altering, servicing, handling and laying of pipe, regardless of material, or mode or method used.

It is further agreed that this Agreement shall apply to and cover all phases of installation of any pipe including, but not limited to, the preparation of the pipe for joining, lining up of the pipes, handling of the clamps and joining of the pipes, regardless of the materials, mode or method used, and regardless of whether welding is required for such installation.

Definitions:

For the purposes of this Agreement:

C. A gas distribution main line is that portion of the gas distribution system placed in streets, roads, subways, tunnels, viaducts, highways and easements which serves the users of gas.

D. The service line is that portion of the gas distribution system which originates at the main and conveys gas to the individual meter either inside or outside the building or residence.

E. Welder shall be a person employed in the Gas Distribution Industry who possesses the ability to pass a gas utility company's welding qualification test and satisfies all other competency requirements for the classification recognized by the Union.

F. Journeyman shall be a person who shall handle the inside line-up clamps, bending mandrel, transitioning tools as well as fabricating and installing metering stations, hydrostatic testing of the pipe, as well as preparation of the pipe for joining and aligning of pipe by any mode or method.

G. Helper/Apprentice shall be a person employed in the Gas Distribution Industry who is learning the trade. The individual will assist the Welder as well as perform other traditional duties of the Helper/Apprentice.

H. Gas distribution piping could be manufactured from, *including but not limited to*, iron, steel aluminum, copper, brass, plastic, or any other material which might be substituted for the aforementioned.

I. In recognition of the above work jurisdiction, it is understood that the settlement of jurisdictional disputes with other building trades organizations shall be adjusted in accordance with the procedure established by the National Distribution Pipeline Industry Joint Policy Committee.

J. That in no event shall Employer be required to pay higher wages, or be subject to more unfavorable working rules, than those established by Union for any other Employer engaged in work covered by this Agreement, or any other Employer not signatory to the Agreement who has negotiated a more favorable separate Agreement with the Union.

K. The parties to this Agreement hereby agree that, in order to be more competitive in certain areas of the country, the Distribution Contractors Association and the United Association may mutually agree to put into effect special wages and conditions for specific areas or projects. Such special wages and conditions shall be available to all those contractors who work in the specified area or on the specified projects. These special wages and conditions will apply to the areas or projects involved for the period of time to be established by the principal parties. Special wages and conditions established pursuant to this Section shall not be the basis for invoking Article 1(J) as set forth above.

L. If any provision of this Agreement is in conflict with the laws or regulations of the United States, or any state in which the work is to be performed, such provision shall be superseded by such law or regulation, but all other provisions of this Agreement shall continue in full force and effect.

M. This Agreement shall supersede all other Agreements between Employer and any local of the Union for any work covered herein and described herein.

N. The Union recognizes that Employer shall have sole jurisdiction of the management and operation of its business, the direction of its working force, the right to maintain efficiency on its jobs, the right to determine the number of employees required for each job, subject to provisions of this Agreement, and that Employer is the sole judge as to the competency of its employees, and shall have the absolute right to discharge employees for just cause.

ARTICLE II SCOPE OF WORK

A. All wages and working conditions hereunder shall be effective on all distribution pipeline construction work performed by the Employer or by any person, firm or corporation owned or financially controlled by the Employer throughout the United States.

B. To protect and preserve all work historically and traditionally performed under the terms and conditions of this Agreement, and to prevent any device or subterfuge to avoid the protection and preservation of such work, the Employer agrees that all wages and working conditions set forth in this Agreement shall be effective on all distribution pipeline construction work covered by this Agreement performed by the Employer under its own name or under the name of another, as a corporation, company, partnership, sole proprietorship, enterprise, or any combination, including a joint venture, where the Employer (including its officers, directors, partners, owners or stockholders) exercises directly or indirectly (including through family members), any significant degree of ownership, management or control.

C. That all of the work covered by this Agreement shall be done under and in accordance with the terms and conditions of this Agreement, whether done by Employer or any subcontractor of said Employer; provided, however, that where specialized equipment not normally used by Employer in the performance of work herein defined, is leased, rented or borrowed, and the labor to operate such equipment, or the work to be done by said equipment is subcontracted, the provisions of this paragraph shall be inoperative as to the labor furnished, but any labor furnished by Employer in the operation of said equipment shall be covered by all the terms of this Agreement. The provisions of the paragraph do not apply to automobiles, welding rigs, pipe cutting and threading machines or pipe bending tools.

ARTICLE III UNION SECURITY

A. The Employer recognizes the Union as the sole and exclusive bargaining representative for all employees covered by this Agreement with respect to wages, hours and other terms and conditions of employment.

B. All employees covered by this Agreement as a condition of continued employment, shall, commencing on the eighth day following the beginning of their employment, or the effective date of this Agreement, whichever is later, acquire and, for the duration of their employment, shall remain members in good standing of the Union. This provision shall not apply in any state where such a requirement for continued employment is prohibited by law.

C. Either party to this Agreement shall have the right to reopen the negotiations pertaining to Union security should the federal laws applicable thereto be changed, by giving the other party thirty (30) days written notice.

D. In interpreting good standing, an Employer shall not discharge an employee for non-membership in the Union: (1) If he has reasonable grounds for believing that such membership was not available to the employee on the same terms or conditions generally applicable to other members; or (2) That membership was denied or terminated for reasons other than the failure of the employee to tender the periodic dues and initiation fee uniformly required as a condition of acquiring or retaining membership.

E. Upon request of the Local Union having jurisdiction of the work being performed, and upon presentation of proper authorization forms executed by the individual employees, the individual Employers agree to deduct from the wage of such individual employees Union initiation fees and dues, and shall pay over to such Local Union the amount so deducted.

F. All sums of money withheld by an Employer from the paycheck of employees as Union initiation fees or dues for the benefit of employees' Local Union shall be transmitted to the Local Union no later than thirty (30) days after the date on which said sums of money were withheld.

G. If Employer fails to transmit all sums of money so withheld within the thirty (30) day period, he shall be subject to additional payment of 15% of the amount due but not less than \$100.00. If it becomes necessary for the Union to employ an attorney to collect such sums of money withheld by Employer, Employer shall also pay all court costs and attorneys fees.

ARTICLE IV HIRING PROCEDURE

A. It is recognized that because of the specialized nature of distribution pipeline construction work, it is necessary that Employer have available experienced and qualified employees, and that both parties shall cooperate to the end that all of the employees hired hereunder shall be capable of performing such work in a competent manner. Employer shall be sole judge as to an employee's competency.

B. The Employer agrees to utilize valid non-discriminatory hiring practices in the local area not inconsistent with the terms of this Agreement. The Employer further agrees to hire employees covered by this Agreement through the local union having territorial jurisdiction, subject to the provisions contained herein. The Union agrees to notify Employer from time to time as to the existence of a procedure to be followed in utilizing such hiring procedures.

C. The Employer shall have the right to bring directly into the job journeymen who are considered by the Employer to have special knowledge and experience in gas distribution pipeline work and shall have the right to keep such journeymen on all work throughout the territory covered by the pre-job conference.

D. It is agreed that the Employer shall have the right to bring directly into the job 50% of the number of employees required for such job. For purposes of this provision, it is understood that the Employer shall bring the first employee required; the Union shall refer the second one; the Union shall refer the third one; the Employer shall bring the fourth one; the Union shall refer the fifth one; and so on, in accordance with this procedure.

E. In hiring men, the Employer shall be the sole judge as to the number of men required and hired, subject to the provisions of this Agreement.

F. The selection of applicants for referral shall not be based on or in any way affected by Union membership, by-laws, rules, regulations, constitutional provisions, or any other aspect or obligation of Union membership, policy or requirement.

G. The need for, determination and designation of foremen is the sole responsibility of Employer.

H. The Union agrees to furnish at all times, upon the Employer's request, fully qualified and competent applicants in a sufficient number to meet the Employer's manpower needs.

I. The Employer retains the absolute and unconditional right to reject any job applicant and may exercise that right before the Union refers any applicant requested. by the Employer, provided this is done in writing.

J. The Union must refer the employees requested by the Employer at the start of a job within forty-eight (48) hours of the receipt of the Employer's request. The Union must refer employees requested by the Employer after a job has started within twenty-four (24) hours. Whether referred locally or otherwise, if the Union does not comply with these conditions, or if the Union is unable to refer or supply qualified

employees, the Employer may secure qualified employees from any other source. The intent of this provision is understood to be that only employees experienced and qualified in distribution pipeline construction work shall be referred by the Union to the Employer.

K. Once the original crew has been established, the Employer shall have the right to keep such crew on all work throughout the territory covered by the particular job or jobs. (Note: See Article VIII, pre-job conference.)

L. Journeymen and/or apprentice-helpers covered by this Agreement shall perform all work in connection with cutting, bending, fitting, threading, tapping, aligning and making of all joints by any mode or method and, insofar as practicable, the employees covered by the Agreement shall be assigned all work falling within the jurisdiction of the Union.

When piping is installed by the use of mechanical joints or a similar type of joint where lengths are progressively installed, the handling of the pipe from the point of distribution to installation and making of joint shall be done by journeymen and/or apprentice-helpers.

M. The Employer shall employ one journeyman on each crew installing metallic services through one and one-half (1 ½") inches in diameter. On the installation of metallic services over one and one-half (1 ½") inches in diameter the Employer shall employ one (1) journeyman and (1) apprentice-helper

The Employer shall employ one journeyman and one apprentice-helper on each crew installing mains through eight (8") inches in diameter. On installations of mains over eight (8") inches in diameter the Employer shall employ one (1) journeyman in addition to each welder, to a maximum of two (2) journeymen.

Any additional journeymen and/or apprentice-helpers included in the service or main crew shall be solely at the Employer's option.

ARTICLE V PLASTIC PIPE

Where plastic pipe is to be installed it is agreed that the joining and installation will be performed by either a journeyman or an apprentice-helper at the contractor's option. On major size projects of plastic pipe installation, make-up of crews shall be determined by agreement between the United Association local union having jurisdiction and the employer making the installation.

ARTICLE VI TERRITORIAL JURISDICTION

All questions as to the territorial jurisdiction of a local union or "open territory" shall be decided by the Union.

ARTICLE VII WAGE RATES

A. Where the Employer has a contract for work in any area where a local union of the United Association has negotiated an established wage rate with a bonafide employer association, the wage rate negotiated for such area shall be paid.

B. In those states where the United Association elects to assign jurisdiction over gas distribution work to one local covering other jurisdictions where various wage scales prevail, the Distribution Contractors

Association will be notified. A representative group of distribution contractors in that state will thereupon be afforded an opportunity to meet with the local United Association representatives for the purpose of arriving at a mutually acceptable set of wage rate conditions for the state. If possible, the United Association's Representative for gas distribution construction and the Managing Director of the Distribution Contractors Association will participate in the wage discussions.

C. The Union agrees to provide the current legally negotiated wage rate for any area, upon request by the Employer and/or Managing Director of the Distribution Contractors Association.

D. The Employer shall be obligated to make payments into no more than the following funds legally negotiated and established by a local collective bargaining agreement between a recognized employer association and the local union:

- | | |
|--------------------------------------|---|
| 1. Health and Welfare Fund | 4. Supplemental Unemployment Benefit Fund |
| 2. Pension Fund | 5. Training Fund |
| 3. Vacation Fund, on an hourly basis | 6. Dental Plan |

E. The apprentice-helper wage rate shall not be more than 65% of the negotiated base wage rate of journeymen in the area where the work is performed.

F. With respect to all other provisions of any local agreement dealing with the terms and conditions of employment, the provisions of this agreement shall prevail.

G. In addition to payments to the funds set forth in Section D, above, the Employer shall be obligated to contribute to the National Distribution Pipeline Industry Communications and Productivity Fund in the amount of \$.10 per hour for each hour worked.

H. In addition to the payments to the funds set forth in Section D above, the employer agrees to pay and contribute to such International Training Fund the sum of five cents (5¢) per hour for each hour of work performed by all employees in the employ of the Employer. Payment of said five cents (5¢) per hour into the International Training Fund shall be effective on November 16, 1999.

The International Training Fund shall be controlled and administered by a Board of Trustees composed of an equal number of Employer and Union representatives. If a local collective bargaining agreement requires contributions to the Plumbers and Pipefitters National Pension Fund, the Employer shall make its International Training Fund contributions to the Plumbers and Pipefitters National Pension Fund as the collection agent of the International Training Fund. If the local collective bargaining agreement does not require contributions to the Plumbers and Pipefitters National Pension Fund, the Employer shall make its International Training Fund contributions to the local fund benefit office where they will be forwarded to the International Training Fund.

ARTICLE VIII JOB NOTIFICATION, PRE-JOB CONFERENCE AND ADMINISTRATION

A. Employer agrees to notify the United Association promptly before starting any job covered under the terms of this Agreement. Such notification is to be sent to the Union's General Office, c/o Pipeline Division, 901 Massachusetts Avenue, N.W., Washington, D.C. 20001, and shall describe for each job the location, size and extent of distribution systems and the proposed starting date. Until and unless such notification has been given, it shall be a violation of this Agreement to conduct a pre-job conference as described below.

B. Following the Employer's notification to the United Association and prior to the start of work, the Employer and representatives of the United Association and local union(s) having jurisdiction over the

proposed work shall hold a pre-job conference so that the start and continuation of work may progress without interruption. The Union's representatives at such conference are authorized to represent the Union for the entire area covered by the job. It shall be a violation of this Agreement to start work unless a pre-job conference has been conducted in accordance with the provisions of this section.

C. At the pre-job conference, the Employer shall notify the Union of the number of employees to be brought directly onto the job, subject to the provisions of this Agreement. It shall be the purpose of the pre-job conference for the Employer and the Union to agree on such matters as the length of the work week, the number of men to be employed, the applicable wage rates in accordance with the contract, and any other matters not including the interpretation of the clauses of this Agreement. It is agreed that any interpretation of the Agreement should be made between the principal parties hereto, so that proper application thereof may be made on the jobs.

D. The notification and pre-job conference procedures set forth in this Article shall be applicable to each and every job covered under the terms of this Agreement. However, where the Employer is performing work pursuant to a blanket contract awarded by an owner or municipality under which additional work is expected, only one notification (in accordance with Paragraph A above) and only one pre-job conference (in accordance with Paragraphs B and C above) will be required. Compliance with such notification and pre-job conference procedures shall be prior to the start of the first job under a blanket contract. The notification and pre-job conference will establish the basic conditions under which the first job and all subsequent jobs covered by a blanket contract shall be performed by such Employer in the local union's jurisdiction during the balance of the working session.

E. The Union agrees to send a copy of this Agreement to each and every one of its locals having jurisdiction over any area in which Employer becomes obligated to perform distribution work, and agrees that the terms of this Agreement shall be recognized by such local and enforced by the Union, so that industrial peace will not be disturbed and so that the employees may perform Employer's work efficiently and continuously. The Employer agrees as well to furnish its supervisory personnel copies of this Agreement, so that they may be familiar with the terms. The administration of this Agreement by the Union is vested in the local unions as may be designated by the Union to handle work covered under this Agreement.

ARTICLE IX SAFETY AND WORKING RULES

A. The time of men shall start at the jobsite and shall end at quitting time on the jobsite; however, the lunch period shall be excluded.

B. The pay day shall be once each week. Employees are to be paid before the end of their regular shift, whether working in the Employer's yard or in the field. When employees are laid off or discharged, they must be paid wages due them at the time of the layoff or discharge.

C. There shall be no inequitable minimum or maximum amount of work which an employee may be required to perform during the working day and there shall be no restrictions imposed against the use of any type of machinery, tools or labor saving devices. At the discretion of the Employer, employees may be changed from one classification to another within the jurisdiction of the Union; however, the employee shall receive the higher rate of pay.

D. The Employer shall have the right to make and revise from time to time safety working rules which are not inconsistent with any of the terms of this Agreement. Union agrees to cooperate in the enforcement of such safety working rules.

E. *Substance Abuse Policy:* The parties to this Agreement have previously agreed to and adopted a Substance Abuse Policy. That policy, which is embodied in a separate agreement dated December 12,

1989, is hereby made a part of this Agreement and is incorporated herein by reference. SEE: Exhibit 2-The National Distribution Pipeline Agreement Substance Abuse Policy is printed under separate cover and available at the United Association Pipeline Department, 901 Massachusetts Ave., N.W, Washington, D.C. 20001, (202/628-5823).

F. *Alcohol Misuse Prevention Policy*: The parties to this Agreement have previously agreed to and adopted an Alcohol Misuse Prevention Policy. That policy, which is embodied in a separate agreement dated April 13, 1995, is hereby made a part of this Agreement and is incorporated herein by reference. SEE: Exhibit 3-The National Distribution Pipeline Agreement Alcohol Misuse Prevention Policy is printed under separate cover and available at the United Association Pipeline Department, 901 Massachusetts Ave., N.W., Washington, D.C. 20001, (202/628-5823).

G. Employer may establish for a project or job a crew or crews, known as a "Composite Crew," which shall consist of the required crafts in such proportions as are respective to the type of work to be performed. In performing its work, the Composite Crew shall be allowed relaxation from strict craft jurisdiction, provided the employees from each craft are assigned to their craft's jurisdiction as far as practicable and possible but not inconsistent with the provisions of this Agreement. Under no circumstances may a Composite Crew be established or utilized if its purpose or effect is to eliminate the employment of any given craft which would otherwise be employed in the absence of a Composite Crew.

ARTICLE X HOURS OF WORK, OVERTIME, & HOLIDAY PAY

A. Eight (8) hours of work shall constitute a day's work. The normal work day shall begin at 8:00 a.m. and end at 4:30 p.m.; provided, however that the starting time may be changed by agreement between the local union and the employer.

B. The work week shall begin on Monday and shall end on Friday.

C. All hours worked on any regular work day prior to the starting time and after the quitting time established herein, or agreed upon by the local union and the Employer shall be paid for at the rate of time and one-half the straight time rate.

D. All hours worked on Saturday shall be paid for at the rate of time and one-half the straight time rate.

E. Work performed on Sunday, New Year's Day, Memorial Day, July Fourth, Labor Day, Thanksgiving Day and Christmas Day shall be paid for at double the straight time rate.

F. If one of the holidays named in Paragraph E above falls on Sunday, it shall be observed on Monday. Accordingly if such an event occurs, work performed on Sunday shall be paid for at the regular rate (double time) for that day; work performed on Monday will be paid for at double the straight time rate. If no work is performed on Monday, no pay shall be required.

ARTICLE XI UNION REPRESENTATION AND ACCESS TO JOBS

A. Authorized representatives of the Union or of the local union shall have access to the jobs where employees covered by this Agreement are employed; provided, however, that such representatives shall not interfere with Employer's employees during working hours.

B. A Steward shall be a working journeyman selected by the Business Agent or Business Manager of the local union. The Steward shall perform his work the same as any other employee. The Steward shall be allowed a reasonable amount of time during the working hours to perform the work of the Union which

cannot be performed at other times, but he shall not abuse the privilege. It is understood and agreed that the Steward's duties or activities shall not include any matters relating to referral, hiring, termination or disciplining of employees.

ARTICLE XII REPORTING TIME PAY AND TESTING TIME

A. Any employee, after being hired and ordered to report for work at the regular starting time and for whom no work is provided on the day that he has so reported, shall receive the equivalent of two (2) hours at the applicable wage rate set forth in this Agreement.

B. Any employee who reports to work and for whom any work is provided, regardless of the time he works, shall receive the equivalent of not less than four (4) hours pay for said day.

C. Any employee who reports to work and who works more than four (4) hours in any one day shall receive the equivalent of not less than eight (8) hours pay for said day.

D. However, the exceptions to the provisions set forth in Paragraphs A, B and C above shall be: (1) When an employee leaves the job site without permission of the Employer or refuses to work or continue work; or (2) When strike or work stoppage conditions prevents or makes ill-advised in the opinion of the Employer the performance of any work or the continuance of work once started. Should the conditions described in this paragraph exist, the employee shall be entitled to pay only for time actually worked.

E. Where notification of the men is required under this Agreement to the effect that work shall not be performed on a particular day, notification of such fact to the Steward shall be sufficient notification to the men, provided such notification is made during working hours allowing him sufficient time to inform the men.

F. Employees shall furnish Employer with current telephone or other contact at the start of each job, and notify Employer of any subsequent change or changes in such contact during the course of the job.

G. Where employees are required to take tests for certification or qualification, the employee, while taking such test, shall be in the employ of the Employer.

H. (1) Each Journeyman employed by an Employer covered by this Agreement, shall be required to attend Continuing Education Programs (CEP) recognized and approved by the Board of Directors of the Training School. Minimum CEP attendance shall be ten (10) hours per calendar year. The Directors of the Training School are authorized to establish rules relating to waiver of CEP requirements because of illness or other good cause.

(2) In light of the upcoming Operator Qualification Legislation and the Safety and Training requirements place on us both LDC's and Pipeline Companies, each signatory employer will be entitled to conduct in-house programs of up to 24 hours a year without compensation. However, when testing for employment refer to Paragraph G.

ARTICLE XIII WORK STOPPAGES, SECONDARY BOYCOTT'S AND JURISDICTIONAL DISPUTES

A. There shall be, during the term of this Agreement and as to any work covered hereby, no slowdown, no stoppage of work, no strike and no lock-out over the terms and conditions of this Agreement, it being the good faith intention of the parties hereto that by the execution of this Agreement industrial peace shall be brought about and maintained, that the parties shall cooperate to the end that work may be done

efficiently and without interruption. In the case of any violation of this Agreement, the Employer and the Union shall be notified immediately

B. It shall not be a violation of this Agreement or of the no-strike clause if members of the United Association refuse to cross a picket line established in accordance with the rules of the Building and Construction Trades Department.

National Distribution Pipeline Industry Joint Policy Committee

C. The parties hereby agree to establish a joint committee known as the National Distribution Pipeline Industry Joint Policy Committee, hereinafter referred to as the Policy Committee. The purpose of the Policy Committee is to promote harmony among all parties to the National Distribution Pipeline Agreement, to encourage the continuation of collective bargaining, to prevent work stoppages and to provide for the settlement of disputes which have not been or cannot be settled through the grievance procedure set forth herein. The Policy Committee shall be empowered to resolve jurisdictional disputes among the unions signatory to the National Distribution Pipeline Agreement.

D. The Policy Committee shall consist of one representative of the Distribution Contractors Association, one representative of each of the three unions signatory to the National Distribution Pipeline Agreement (the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, AFL-CIO, the International Union of Operating Engineers, AFL-CIO and the Laborers International Union of North America, AFL-CIO).

E. The procedures of the Policy Committee shall be available to any distribution contractor engaged in work covered by the National Distribution Pipeline Agreement and to any local union having jurisdiction over such work; provided, however, that any request by a contractor for resort to the Policy Committee shall be made only through the Distribution Contractors Association, and any request by a local union for resort to the Policy Committee shall be made only through its International Union. Upon referral to the Policy Committee, the parties agree that the existing or agreed upon terms of employment shall continue in full force and effect without a work stoppage for a period of fourteen (14) days following referral of the matter to the Policy Committee.

F. The Policy Committee shall meet the third Wednesday in June and upon call of any one of the four members appointed by their respective organizations, at such place or places as may be mutually agreed upon. The Policy Committee may consider any matter of concern to the distribution pipeline construction industry whether or not a specific matter has been referred to it by one of the parties to the agreement. Only the members of the Policy Committee shall be entitled to vote.

G. The Rules and Regulations, and the Procedural Rules Regarding Jurisdiction Disputes governing the Policy Committee are incorporated by reference and are considered a part of this Agreement. SEE: Exhibit 1 Page 13 National Distribution Pipeline Industry Joint Policy Committee.

ARTICLE XIV GRIEVANCE PROCEDURE AND CANCELLATION

There shall be established a National Arbitration Board consisting of one representative appointed by the United Association and one representative appointed by the Distribution Contractors Association. Either party shall have the right to appoint alternates for its representative. Within thirty (30) days after the signing and execution of this Agreement, the Distribution Contractors Association and the United Association shall notify each organization of their respective appointments to the Arbitration Board. The Board shall appoint a neutral person who shall serve as a permanent impartial arbitrator and chairman during the life of this Agreement, or until his successor is named by the board. This National Arbitration Board shall stand during the life of this Agreement.

Any grievances, disputes or differences of opinion which arise between the contractors' supervisory personnel and Union representatives in the field shall be settled on the job, wherever possible, provided that such settlements shall not vary any of the wages, terms or conditions of this Agreement.

1. Any employee who believes that he has a grievance shall first take the matter up with his foreman.
2. If the matter is not satisfactorily adjusted between the foreman and the employee the grievance shall be referred to the job steward. The job steward and the foreman will attempt to resolve the grievance.
3. If the grievance is not settled between the job steward and the foreman, the Employer's superintendent will be summoned to enter the discussion. When the matter cannot be settled at this level, it will be referred to the Union's Business Agent and Employer's superintendent.
4. If not settled by the preceding steps, it will be referred for adjustment to the Representative of the United Association and the Employer or Employers involved, and if not settled—
5. Then the grievance shall be submitted for arbitration in the following manner: A request for arbitration shall be in writing and shall be filed with the member of the Arbitration Board designated as Chairman. A copy of such written request shall be properly served by the Board on both parties to this Agreement, together with the Employer or Employers involved. Such request for arbitration shall contain a statement of the grievance or matter to be arbitrated, and the Board shall set the matter for arbitration hearing in Washington, D.C., or such other place as the Board may determine, not later than fourteen (14) days after request for arbitration has been filed with it. Notice of time and date of such hearing shall be given to the Union and to the Employer or Employers involved to appear and be heard.

If the National Arbitration Board is unable to reach a decision within two (2) days after the hearing or the Board decides it is deadlocked, then within a period of not more than two (2) days thereafter the impartial arbitrator shall decide the matter. The decision of the impartial arbitrator shall be final and binding on all parties.

The expense of the National Arbitration Board and the impartial arbitrator if required, shall be borne equally by the disputing parties.

Either party to this Agreement may, in the event of the failure of the other party to comply with the arbitration award issued pursuant hereto, within thirty (30) days cancel this Agreement insofar as it relates to the party to the dispute who has failed to comply with the award on forty-eight (48) hours written notice to that party. It is understood and agreed that there shall be no suspension of work or strike or lockout until the grievance and arbitration procedure has been exhausted. However, any settlement where hours of pay are involved shall be retroactive.

ARTICLE XV NATIONAL DISTRIBUTION PIPELINE INDUSTRY COMMUNICATIONS AND PRODUCTIVITY PROGRAM

A. There has been established a Trust known as the "National Distribution Pipeline Industry Communications and Productivity Fund" referred to herein as "the Fund." The Fund shall be administered solely and exclusively by the Trustees appointed pursuant to the provisions of the Trust Agreement, and the activities of the Trust shall be financed as set forth in Section B of this Article. Execution of this Agreement shall constitute an agreement to be bound by the terms of the Fund Trust Agreement and the Rules and Regulations promulgated by the Trustees.

B. The Employer shall contribute \$.10 per hour for each hour worked to the Fund. The Employer's obligation to contribute \$.10 per hour for each hour worked to the Fund may not be eliminated or altered in any way by any State Addendum to this Agreement. Contributions are to be remitted to the National

Distribution Pipeline Industry Communications and Productivity Fund, c/o Capital Benefit Administrators, 7515 Lee Highway, Falls Church, VA 22042, by no later than the 20th day of the month following the end of each calendar month in which the hours were worked. The Employer shall also report all hours worked under this Agreement on a monthly basis on forms supplied by the Fund's Trustees.

C. Money received as a result of said payments shall be administered by the Board of Trustees of the Fund in accordance with its Rules and Regulations for the purpose of furthering the best interests and welfare of the national distribution pipeline industry. Such purposes shall be exclusively limited to the following: to improve communications between representatives of labor and management; to provide a mechanism to improve the collective bargaining relationship between the parties with respect to matters of mutual concern; to study and explore ways of eliminating potential problems which reduce the competitiveness and inhibit the economic development of the national distribution pipeline industry; to engage in research and development programs concerning various aspects of the national distribution pipeline industry, including, but not limited to, new technologies in national distribution pipeline and related activities, occupational safety and health, labor relations, and new methods of improved production; and to engage in any other lawful activities incidental or related to the accomplishment of these purposes and goals. The Fund shall not use money received as a result of said payments for lobbying or publicizing legislation harmful to unions, for subsidizing employers during a strike, for litigation against the Union, or for any other purpose inimical to the interests of the Union.

D. In the event an employer is in default, the amount of damage to the Fund resulting from the default shall be, by way of liquidated damages, and not as a penalty, a sum equal to 15% of the delinquent payments, but not less than twenty dollars (\$20.00) for each month a payment or payments are due to the Fund, which amount shall be added to and become part of said amount due and payable, and the whole amount due shall bear interest at the rate of twelve percent (12%) per annum until paid. Thereafter, the delinquent Employer may be required to post a cash bond equal to three (3) times the average monthly payments to the Fund during the preceding year of \$750.00, whichever is greater. In addition to the amount due in liquidated damages, interest and the cash bond, the Employer shall be obligated to pay all reasonable expenses incurred by the Fund in the collection of the same through litigation including, but not limited to, reasonable attorney and accountant fees, costs of attachment and court costs.

E. The Board of Trustees shall keep true and accurate books of account and records of all their transactions, which shall be audited annually by a certified public accountant. A statement of the results of each audit shall be forwarded to the Union, and shall at all times be available for inspection by the Union at the Fund's principal office. The Board of Trustees shall also furnish the Union with copies of its Rules and Regulations, as enacted or subsequently amended, and with copies of recorded minutes of all meetings of the Board of Trustees. Upon the written request of the Union, the Board of Trustees shall provide the Union with full and accurate information regarding the operation and administration of the Fund, or any aspect thereof.

ARTICLE XVI ASSENT TO LOCAL TRUST FUNDS AND COLLECTION PROCEDURES

A. The Employer agrees to be bound by the Declaration of Trust establishing all local union trusts to which the Employer is required to contribute pursuant to Article VII of this Agreement, and the Employer agrees to be bound thereby to all amendments made thereto the same as if the Employer was a party to said Declaration of Trust. The Employer hereby authorizes the employer trustees to the local union agreements to name employer Trustees to administer the local union trusts (along with the Trustees appointed by each local union) to which contributions are required under Article VII, and hereby ratifies and accepts such employer trustees.

B. If the Employer fails to make contributions to the local trust funds set forth in Article VII, the Employer shall be liable for all costs for collecting the payments together with attorneys and audit fees,

interest at the highest rate permitted by the state in which the delinquency occurred, and such late payment fees and liquidated damages as may be assessed by the Trustees.

C. If an Employer fails to make contributions to any of the Funds set forth in Article VII, including the National Distribution Pipeline Industry Communications and Productivity Fund, the Union shall have the right to take whatever steps are required to secure compliance, including removing employees from the Employer providing advance notice of not less than twenty-four (24) hours is given of such action to the delinquent Employer. Such removal of employees and cessation of work by employees for such delinquent Employer shall not be a violation of the "no-strike" clause or any other provision of this Agreement and shall not bar nor limit the other remedies allowable under the contract, the applicable trust agreements, or under the law.

ARTICLE XVII
EFFECTIVE DATE, TERMINATION AND RENEWAL

A. This Agreement shall become effective November 16, 1999 when signed by the parties hereto and shall remain in full force and effect until its termination as provided hereinbelow.


B. The provisions of the Agreement shall continue in full force and effect until November 15, 2004 and thereafter until terminated at the option of either party after sixty (60) days notice in writing to the other. However, the wage rate and fringe benefit provisions of this Agreement shall be subject to negotiation and renewal annually, any changes in such provisions to become effective when negotiated each year. In the event of failure of the parties to agree upon wage and fringe provisions on the anniversary date of the Agreement each year, the Union shall not be considered in violation of Article XI hereof in the event a work stoppage results because of the failure to agree upon such wage and fringe provision.

C. It is understood that the Distribution Contractors Association is acting merely as collective bargaining agent in the negotiation of this Agreement and it is agent only for those of its members, and none other, who accept and sign this Agreement, and in no event shall it be bound a principal or be held liable in any manner for any breach of this contract by any of the contractors signing the same.

As evidenced by the signatures affixed below, the United Association and the Distribution Contractors Association accept and agree to extend the current National Distribution Pipeline Agreement until November 15, 2004 The new agreement shall be known as the National Distribution Pipeline Agreement (effective November 16, 1999 to November 15, 2004).

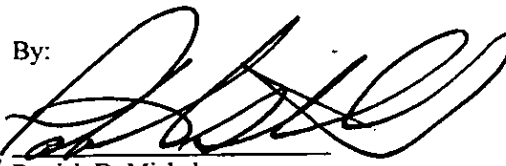
UNITED ASSOCIATION

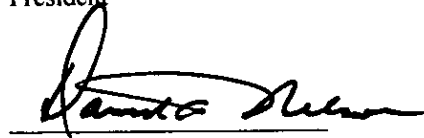
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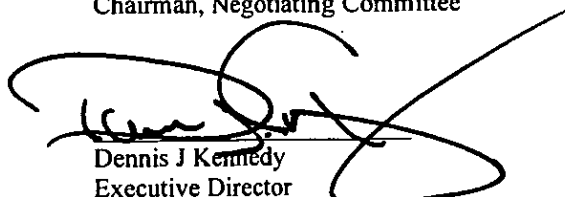

Martin J. Maddaloni
General President

**DISTRIBUTION CONTRACTORS
ASSOCIATION**

By:


Patrick D. Michels
President


David A. Nelson
Chairman, Negotiating Committee


Dennis J. Kennedy
Executive Director

**NATIONAL DISTRIBUTION PIPELINE INDUSTRY
JOINT POLICY COMMITTEE**

Committee

John Budzinski, United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada

Howard "Bud" Evans, International Union of Operating Engineers

Carl Booker, Laborers' International Union of North America, Dennis J. Kennedy, Executive Vice-President, Distribution Contractors Association

**EXHIBIT I
RULES AND REGULATIONS
FOR
POLICY COMMITTEE**

These rules and regulations are hereby adopted for the guidance of the Policy Committee established on June 5, 1995 by the Distribution Contractors Association; the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada; the Laborers' International Union of North America; and the International Union of Operating Engineers.

They are intended as voluntary procedures to promote harmony among all the parties to the National Distribution Agreements, to encourage the continuation of collective bargaining, to prevent work stoppages and to provide for the settlement of disputes which have not been or cannot be settled through the grievance procedures set out in the National Distribution Agreements negotiated by the Distribution Contractors Association with the three International Unions named above who represent the employed in distribution pipe line construction throughout the United States.

1. The procedures of the Policy Committee shall be available to any distribution pipe line contractor engaged in work covered by the National Distribution Agreements and to any local union having jurisdiction over such work and/or any State Addendum thereto; provided, however, that any request by a contractor for resort to the Policy Committee shall be made only through the Distribution Contractors Association, and any request by a local union for resort to the Policy Committee shall be made only through its International Union. Upon referral to the Policy Committee, the parties agree that the existing or agreed-upon conditions and terms of employment shall continue in full force and effect without a work stoppage for a period of fourteen (14) calendar days following referral of the matter to the Policy Committee.

2. The Policy Committee shall be comprised of four members, each having been appointed by their respective organizations, and each representing the following parties signatory to the National Distribution Pipeline Agreement: The Distribution Contractors Association; the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada, AFL-CIO; the International Union of Operating Engineers, AFL-CIO; and the Laborers International Union of North America, AFL-CIO. All decisions of the Policy Committee shall be made by its four members, or their designated representatives who may act as alternates when called upon to do so. The Policy Committee shall meet on the third Wednesday of each June and upon call or any one of the four members at such place or places as may be mutually agreed upon. The Policy Committee may consider any matter of concern to

the distribution pipe line construction industry, whether or not a specific matter has been referred to it by one of the parties to the agreements. Only the four members of the Policy Committee shall be entitled to vote, except in the case of a tie vote, as described below.

3. The procedures provided by this Policy Committee shall not be used where existing grievance procedures set out in one of the National Distribution Agreements govern the matter.

PROCEDURAL RULES FOR POLICY COMMITTEE REGARDING JURISDICTIONAL DISPUTES

1. Whenever a dispute arises between two or more Unions over proper jurisdiction of work assigned by a contractor, then one of the parties to the dispute may refer it to the Policy Committee for decision. Pending the decision, the work shall continue to be done by the one to whom it is assigned by the contractor.

2. Any of the disputants may submit any evidence desired for the purpose of substantiating its claim to the work in question, and the Policy Committee shall consider all such evidence submitted by any of the parties. A majority decision of the Policy Committee in such jurisdictional disputes shall be final and binding on all parties.

3. In the event of a deadlock on any issue submitted to it for resolution, the members of the Policy Committee agree to appoint a neutral party to resolve the dispute. The names of possible neutral parties shall be submitted to the Committee Chairman within ten (10) days of the date the Policy Committee deadlocks. The Chairman shall then advise the Policy Committee members of the names of neutral parties submitted for consideration. Within five (5) days thereafter, the Policy Committee shall, by majority vote, select a neutral party from the list of submitted names (or from another source if necessary to reach agreement) to hear and render a decision on the dispute. The parties agree that the decision of the neutral party shall be final and binding.

4. Unless otherwise agreed to by the disputing parties, any decision rendered by the Policy Committee (or a neutral party, if required) shall be for the particular job on which dispute arose.

5. The Policy Committee shall select one of its members to act as Chairman, whose term shall last for one year only and who shall not be eligible for reelection until the representative of each of the other parties has served one year as Chairman. There shall also be a Secretary designated who may or may not be a member of the Policy Committee, but only the four principal members of the Policy Committee shall be entitled to vote.

6. Parties to disputes shall have a right to a hearing before the Policy Committee only upon the terms and conditions set out herein. The Policy Committee shall reach a decision as promptly as possible, but not longer than fourteen (14) days after a dispute has been referred to it, unless a longer period has been agreed upon by the interested parties and the Policy Committee.

7. Each of the respective organizations shall bear the cost of expenses of their representatives on the Policy Committee, and any other parties in attendance at meetings of the Policy Committee shall bear their own costs and expenses.

8. These rules and regulations may be amended at any time and from time to time by the Policy Committee upon unanimous vote of its members.