Agreement

between

USS
Division of USX Corporation

and the

United Steelworkers of America

Production and Maintenance Employees

August 1, 1999
Pittsburgh, Pennsylvania
Agreement

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Duration - 8/1/99 - 8/1/2004
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Changes from 1994 Agreement shown in bold face type. In referring to employees, the masculine gender is used for convenience only and shall refer both to males and females.
AGREEMENT

This Agreement, dated August 1, 1999, is between USS, Division of USX Corporation (hereinafter referred to as the “Company”) and United Steelworkers of America (hereinafter referred to as the “Union”). Except as otherwise expressly provided herein, the provisions of this Agreement shall be effective August 1, 1999.

The Union having been designated the exclusive collective-bargaining representative of the employees of the Company as defined in Section 2-A — Coverage, the Company recognizes the Union as such exclusive representative. Accordingly, the Union makes this Agreement in its capacity as the exclusive collective-bargaining representative of such employees. The provisions of this Agreement constitute the sole procedure for the processing and settlement of any claim by an employee or the Union of a violation by the Company of this Agreement. As the representative of the employees, the Union may process complaints and grievances through the complaint and grievance procedure, including arbitration, in accordance with this Agreement or adjust or settle the same.

SECTION 1 — PURPOSE AND INTENT OF THE PARTIES

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

The Company and the Union encourage the
highest possible degree of friendly, cooperative relationships between their respective representatives at all levels and with and between all employees. The officers of the Company and the Union realize that this goal depends on more than words in a labor agreement, that it depends primarily on attitudes between people in their respective organizations and at all levels of responsibility. They believe that proper attitudes must be based on full understanding of and regard for the respective rights and responsibilities of both the Company and the Union. They believe also that proper attitudes are of major importance in the plants where day-to-day operations and administration of this Agreement demand fairness and understanding. They believe that these attitudes can be encouraged best when it is made clear that Company and Union officials, whose duties involved negotiation of this Agreement, are not anti-Union or anti-Company but are sincerely concerned with the best interest and well-being of the business and all employees.

The parties recognize that for their joint benefit, increases in wages and benefits should be consistent with the long-term prosperity and efficiency of the steel industry.

The parties are concerned that the future for the industry in terms of employment security and return on substantial capital expenditures will rest heavily upon the ability of the parties to work cooperatively to achieve significantly higher productivity trends than have occurred in the recent past. The parties are acutely aware of the impact upon the industry and its employees of the sizable penetration of the domestic steel market by foreign producers. The parties have joined their efforts in seeking relief from the problem of massive importation of foreign steel manufactured in low-wage countries. Thus, it is incumbent upon the parties to
work cooperatively to meet the challenge posed by principal foreign competitors in recent years. It is also important that the parties cooperate in promoting the use of American-made steel.

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

The representatives of the Company and the Union shall continue to provide each other with such advance notice as is reasonable under the circumstances on all matters of importance in the administration of the terms of this labor Agreement, including changes or innovations affecting the relations between the local parties.

SECTION 2-A — COVERAGE

1. The term “employee” as used in this Agreement applies to all individuals occupying production, maintenance, and hourly rated nonconfidential clerical jobs employed in and about the Company’s steel-manufacturing and by-product coke plants for which units the Union is, or may be during the life of this Agreement, certified by the National Labor Relations Board as the exclusive collective-bargaining representative. The term “employee” does not apply to individuals occupying salaried, watchman, guard, or confidential clerical positions, or supervisory positions of foreman level and above.

2. When Management establishes a new or changed job in a plant so that duties involving a significant amount of production or
maintenance work, or both, which is performed on a job within the bargaining unit (or, in the case of new work, would be performed on such a job) are combined with duties not normally performed on a job within the bargaining unit, the resulting job in the plant shall be considered as within the bargaining unit. This provision shall not be construed as enlarging or diminishing whatever rights exist in respect of withdrawal of nonbargaining unit duties from a job in the bargaining unit, provided that where nonbargaining unit duties are placed in a job in the bargaining unit under this provision, such duties may be withdrawn at any time. Management shall, on request, furnish to the Union reasonable information to permit determination of questions of compliance with this provision.

3. Any supervisor at a plant shall not perform work on a job normally performed by an employee in the bargaining unit at such plant; provided, however, this provision shall not be construed to prohibit supervisors from performing the following types of work:
   a. experimental work;
   b. demonstration work performed for the purpose of instructing and training employees;
   c. work required of the supervisors by emergency conditions which if not performed might result in interference with operations, bodily injury, or loss or damage to material or equipment; and
   d. work which, under the circumstances then existing, it would be unreasonable to assign to a bargaining unit employee and which is negligible in amount.

Work which is incidental to supervisory
Section 2-A - Coverage (Contd.)

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

If a supervisor performs work in violation of 2.5 this Subsection 2-A-3 and the employee who otherwise would have performed this work can reasonably be identified, the Company shall pay such employee the applicable standard hourly wage rate for the time involved or for four hours, whichever is greater.

4. a. An employee who is assigned as a temporary foreman as of the effective date of this Agreement or who is thereafter so assigned shall not cease to be an employee, although assignment to such position and the terms and conditions of employment applicable to the position shall continue to be solely as determined by the Company.

b. Such assignments shall be limited to:

(1) The short-term absence of a foreman for reasons such as sickness, jury duty or vacation.

(2) A foreman position resulting from increases in operating requirements over and above normal levels. Such a position shall not be filled by the assignment of any employee as temporary foreman for a period in excess of ten consecutive months, provided however, that such period shall be extended in view of special circumstances. Management shall inform the grievance committeeeman representing the department in which the position occurs of such extension.
(3) Twenty-first turn coverage on continuous operations.

c. An employee assigned as a temporary foreman on a weekly basis will not work in the bargaining unit during the week in which he is assigned as a temporary foreman. An employee will not be assigned as a temporary foreman merely as a means of retaining him in employment or of recalling him from layoff at a time when the application of his bargaining unit seniority would not otherwise result in his retention in employment.

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

SECTION 2-B — LOCAL WORKING CONDITIONS

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

1. It is recognized that an employee does not have the right to have a local working condition established, in any given situation or plant where such condition has not existed, during the term of this Agreement or to have an existing local working condition changed or eliminated, except to the extent necessary to require the application of a specific provision of this Agreement.

2. In no case shall local working conditions be effective to deprive any employee of rights under this Agreement. Should any employee believe that a local working condition is depriving him of the benefits of this Agreement, he shall have recourse to the complaint and grievance procedure and arbitration, if necessary, to require that the local working condition be changed or eliminated to provide the benefits established by this Agreement.

3. Should there be any local working conditions in effect which provide benefits that are in excess of or in addition to the benefits established by this Agreement, they shall remain in effect for the term of this Agreement, except as they are changed or eliminated by mutual agreement or in accordance with paragraph 4 below.

4. The Company shall have the right to change or eliminate any local working condition if, as the result of action taken by Management under Section 3 — Management, the basis for the existence of the local working condition is changed or eliminated, thereby making it unnecessary to continue such
Section 2-C — Contracting Out

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

5. No local working condition shall hereafter be established or agreed to which changes or modifies any of the provisions of this Agreement, except as it is approved in writing by an International Officer of the Union and the Personnel Services Executive of the Company.

6. The settlement of a grievance prior to arbitration under this Section 2-B shall not constitute a precedent in the settlement of grievances in other situations in this area.

7. Each party shall as a matter of policy encourage the prompt settlement of problems in this area by mutual agreement at the local level.

SECTION 2-C — CONTRACTING OUT

The parties have existing rights and contractual understandings with respect to contracting out. In addition, the following provisions shall be applicable to all contracting out issues arising on or after May 1, 1987.

A. Basic Prohibition

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

B. Exceptions

1. Work in the Plant
   a. Consistent Practice Established Prior to March 1, 1983
      Production, service, all maintenance and repair work, all installation, replacement and reconstruction of equipment and productive facilities, other than that listed in subparagraph B-1-c below, all within a plant, may be contracted out if the consistent practice, established prior to March 1, 1983, has been to have such work performed by employees of contractors.
   b. Consistent Practice Established On or After March 1, 1983
      Production, service, all maintenance and repair work, all installation, replacement and reconstruction of equipment and productive facilities, other than that listed in subparagraph B-1-c below, all within a plant, may be contracted out if (i) the consistent practice, established on or after March 1, 1983, has been to have such work performed by employees of contractors and (ii) it is more reasonable (within the meaning of paragraph C below) for the Company to contract out such work than to use its own employees.
   c. Major new construction, including major installation, major replacement and major reconstruction of equipment and productive facilities, at any plant may be contracted out subject to any rights and obligations of the parties which, as of the
beginning of the period commencing August 1, 1963, are applicable at that plant in the case of any plant which was in operation on or before August 1, 1958. With respect to any other plant, the period commencing date shall be the date five years after the date on which the plant started operations.

A project shall be deemed major so as to fall within the scope of this exception if it is shown by the Company that the project is of a grander or larger scale when compared to other projects bargaining unit forces at the plant are normally expected to do. Such comparisons should be made in light of all relevant factors.

As regards the term “new construction” above, except for work done on equipment or systems pursuant to a manufacturer’s warranty, work that is of a peripheral nature to major new construction, including major installation, major replacement and major reconstruction of equipment and productive facilities and which does not concern the main body of work shall be assigned to employees within the bargaining unit unless it is more reasonable to contract out such work taking into consideration the factors set forth in paragraph C or it is otherwise mutually agreed. For purposes of this provision, the term “work of a peripheral nature” may in certain instances include, but not be limited to demolition, site preparation, road building, utility hook-ups, pipe lines and any work which is not integral to the main body.
2. Work Outside the Plant

a. Should the Company contend that maintenance or repair work to be performed outside the plant or work associated with the fabricating of goods, materials or equipment purchased or leased from a vendor or supplier should be excepted from the prohibitions of this Section, the Company must demonstrate that it is more reasonable (within the meaning of paragraph C below) for the Company to contract for such work (including the purchase or lease of the item) than to use its own employees to perform the work or to fabricate the items.

Notwithstanding the above, the Union recognizes that as part of the Company's normal business, it may purchase standard components or parts or supply items, produced for sale generally ("shelf items"). No item shall be deemed a standard component or part or supply item if: (i) its fabrication requires the use of prints, sketches or detailed manufacturing instructions supplied by the Company or at the Company's behest or by another company engaged in producing or finishing steel or it is otherwise made according to detailed Company specifications or those of such other company; or (ii) it involves a unit exchange; or (iii) it involves the purchase of electric motors, engines, transmissions, or converters under a core exchange program (whether or not title to the unit passes to the vendor/purchaser as part of the transaction), unless such transaction is undertaken with
an original equipment manufacturer, or with one of its authorized dealers, provided that the items in the core exchange program that are sold to the Company are rebuilt using instructions and parts supplied by the original equipment manufacturer (or, if the part or parts are not stocked by the original equipment manufacturer, approved by such manufacturer).

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

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

b. Production work may be performed outside the plant only where the Company demonstrates that it is unable because of lack of capital available in its USS Division to invest in necessary equipment or facilities. In determining whether there is capital to invest in particular equipment or facilities, the Union recognizes the Company’s right to make reasonable judgments about the allocation of scarce capital resources among its plants represented by the Union and their supporting facilities.
Section 2-C - Contracting Out (Contd.)

3. Mutual Agreement
   Work contracted out by agreement of the parties pursuant to paragraph F below.

C. Reasonableness
   In determining whether it is more reason- able for the Company to contract out work than use its own employees, the following factors shall be considered:

1. Whether the bargaining unit will be adversely impacted.
2. The necessity for hiring new employees shall not be deemed a negative factor except for work of a temporary nature.
3. Desirability of recalling employees on layoff.
4. Availability of qualified employees (whether active or on layoff) for a duration long enough to complete the work.
5. Availability of adequate qualified supervision. Bargaining unit employees in team leader positions shall be considered in applying this factor.
6. Availability of required equipment either on hand or by lease or purchase, provided that either the capital outlay for the purchase of such equipment, or the expense of leasing such equipment, is not an unreasonable expenditure in all the circumstances at the time the proposed decision is made.
7. The expected duration of the work and the time constraints associated with the work.
8. Whether the decision to contract out the work is made to avoid any obligation under the collective bargaining agreement or benefits agreements associated therewith.
9. Whether the work is covered by a warranty necessary to protect the Company's investment. For purposes of this sub-
paragraph, warranties are intended to include work performed for the limited time necessary to make effective the following seller guarantees:

a. Manufacturer guarantees that new or rehabilitated equipment or systems are free of errors in quality, workmanship or design.

b. Manufacturer guarantees that new or rehabilitated equipment or systems will perform at stated levels of performance and/or efficiency subsequent to installation.

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

Warranties are commitments associated with a particular product or service in order to assure that seller representations will be honored at no additional cost to the Company. Long-term service contracts are not warranties for the purposes of this subparagraph.
Section 2-C – Contracting Out (Contd.)

10. In the case of work associated with leased equipment, whether such equipment is available without a commitment to use the employees of outside contractors or lessors for its operation and maintenance.

11. Whether, in connection with the subject work or generally, the local union is willing to waive or has waived restrictive working conditions, practices or jurisdictional rules (all within the meaning of “local working conditions” and the authority provided by this Agreement).

D. Contracting Out Committee

1. At each plant a regularly constituted committee consisting of not more than four persons (except that the committee may be enlarged to six persons by local agreement), half of whom shall be members of the bargaining unit and designated by the Union in writing to the plant management and the other half designated in writing to the Union by the plant management, shall attempt to resolve problems in connection with the operation, application and administration of the foregoing provisions.

2. In addition to the requirements of paragraph E below, such committee may discuss any other current problems with respect to contracting out brought to the attention of the committee.

3. Such committee shall meet at least one time each month.

E. Notice and Information

Before the Company finally decides to contract out an item of work, the Union committee members will be notified. Except as provided in paragraph H below (Shelf Item Procedure), such notice will be given in sufficient time to permit the Union to invoke the Expedited Procedure
described in paragraph G below, unless emergency situations do not permit it. Such notice shall be in writing and shall be sufficient to advise the Union members of the committee of the location, type, scope, duration and timetable of the work to be performed so that the Union members of the committee can adequately form an opinion as to the reasons for such contracting out. Such notice shall generally contain the information set forth below:

1. Location of work.
2. Type of work:
   a. Service
   b. Maintenance
   c. Major Rebuilds
   d. New Construction
3. Detailed description of the work.
4. Crafts or occupations involved.
5. Estimated duration of work.
6. Anticipated utilization of bargaining unit forces during the period.
7. Effect on operations if work not completed in timely fashion.

No later than May 1, 1987, Headquarters representatives of the parties shall develop a form notice for the submission of the information described above. Either the Union members of the committee or the Company members of the committee may convene a prompt meeting of the committee. Should the Union committee members believe a meeting to be necessary, they shall so request the Company members in writing within five (5) days (excluding Saturdays, Sundays and Holidays) after receipt of such notice and such a meeting shall be held within three (3) days excluding Saturdays, Sundays and Holidays) thereafter. The Union members of the committee may include in the meeting the Union representative from the area.
in which the matter arises. At such meeting the parties should review in detail the plans for the work to be performed and the reasons for contracting out such work. Upon their request, the Union members of the committee will be provided relevant information in the Company's possession relating to the reasonableness factors set forth in paragraph C above. Included among the information to be made available to the committee shall be an opportunity to review copies of any relevant proposed contracts with the outside contractor. This information will be held in complete confidence by each involved Union representative. The Management members of the committee shall give full consideration to any comments or suggestions by the Union members of the committee and to any alternate plans proposed by Union members for the performance of the work by bargaining unit personnel. Except in emergency situations, such discussions, if requested, shall take place before any final decision is made as to whether or not such work will be contracted out.

Should the Company committee members fail to give notice as provided above, then not later than thirty (30) days from the date of the commencement of the work a grievance relating to such matter may be filed under the complaint and grievance procedure, except in the case of production, service or maintenance work contracted for performance outside the plant the thirty (30) day period shall begin running when the Union becomes aware or reasonably should have known that such work has been contracted out. Should it be found in the arbitration of a grievance alleging a failure of the Company to provide the notice or relevant information in the Company's possession required under this paragraph E that such notice or information was not provided, that the failure was not due to
Section 2-C - Contracting Out (Contd.)

an emergency requirement, and that such failure deprived the Union of a reasonable opportunity to suggest and discuss practicable alternatives to contracting out, the Board shall have the authority to fashion a remedy, at its discretion, that it deems appropriate to the circumstances of the particular case. Such remedy, if afforded, may include earnings and benefits to the grievants who would have performed the work, if they can be reasonably identified.

Notwithstanding any other provision of this Agreement, where, at a particular Plant, it is found that the Company (i) committed violations of paragraph (E) that demonstrate willful conduct in violation of the notice provision or constitutes a pattern of conduct of repeated violations or (ii) violated a cease and desist order previously issued by the Board of Arbitration in connection with a violation of paragraph (E), the Board of Arbitration may, as circumstances warrant, fashion a suitable remedy or penalty.

F. Mutual Agreement and Dispute

The committee may resolve the matter by mutually agreeing that the work in question either shall or shall not be contracted out. Any such resolution shall be final and binding but only as to the matter under consideration and shall not affect future determinations under this Section. In addition, an agreement, including a grievance settlement, reached prior to July 31, 1986 will continue in full force and effect provided that such agreement expressly permits future contracting out and in exchange for which the Company granted pensions under mutually satisfactory conditions or other substantial consideration (but excluding amounts expressly identified as backpay for loss of earnings or other benefits). No agree-
Section 2-C - Contracting Out (Contd.)

...ment entered into after August 1, 1999, whether or not reached pursuant to this Section, which directly or indirectly permits the contracting out of work on an ongoing basis, shall be valid or enforceable unless it is in writing and signed by both the President and the Chairman of the Grievance Committee of the affected local union.

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

1. By filing a complaint relating to such matter under the complaint and grievance procedure described in Section 6 within thirty (30) days from the date of the Company's notice, or

2. By filing a grievance relating to such matter within five (5) days (excluding Saturdays, Sundays and Holidays) from the date of the Company's notice or the date of the contracting out meeting whichever is later, and thereafter submitting that grievance to the Expedited Procedure as set forth in paragraph G, below.

G. Expedited Procedure

In the event that either the Union or Company members of the committee request an expedited resolution of a grievance arising under this Section, except paragraph H (Shelf Item Procedure), it shall be submitted to the Expedited Procedure in accordance with the following:

1. In all cases except those involving day-to-day maintenance and repair work and service, or emergencies, the Expedited Procedure shall be implemented prior to letting a binding contract.
2. Unless the parties agree otherwise, within five (5) days (excluding Saturdays, Sundays and Holidays) after the filing of a grievance, if either the Union or Company determines that the grievance cannot be resolved, either party (chairman of the grievance committee in the case of the local union and the manager of labor relations in the case of the Company) may advise the other party in writing that it is invoking arbitration under this Expedited Procedure and shall notify the Board. The party invoking arbitration shall include with its written notice a summary of the facts and arguments relied upon. Within five (5) days (excluding Saturdays, Sundays and Holidays) following receipt of such notice the responding party shall provide the moving party with a written summary of the facts and arguments that it relies upon.

3. An expedited arbitration must be scheduled within five (5) days (excluding Saturdays, Sundays and Holidays) of such notice to the Board and heard at a hearing commencing within ten (10) days (excluding Saturdays, Sundays and Holidays) thereafter. The Board, or its appointee, shall hear the dispute.

4. The Board must render a decision within seven (7) days (excluding Saturdays, Sundays and Holidays) of the conclusion of the hearing which decision need only succinctly explain the basis for the findings.

5. Notwithstanding any other provision of this Agreement, any case heard in the Expedited Procedure before the work in dispute was performed may be reopened by the Union in accordance with this paragraph if such work, as actually performed, varied in any substantial respect from the description presented in arbitration, except
where the difference involved a good faith variance as to the magnitude of the project. The request to reopen the case must be submitted within seven (7) days of the date on which the Union knew or should have known of the variance and shall contain a summary of the ways in which the work as actually performed differed from the description presented in arbitration. As soon as practicable after receipt of a request to reopen, an arbitration hearing date shall be scheduled. In a case reopened pursuant to this paragraph, the Board of Arbitration shall determine whether the work in dispute, as it actually was performed, violated the provisions of Section 2-C and, if so, the remedy. The prior decision regarding the subject work shall be considered in the determination and be controlling in the subsequent dispute, except to the extent that it relied on an erroneous description.

H. Shelf Item Procedure

1. No later than June 1, 1987, and annually thereafter, the Company shall provide the Union members of the committee with a list and description of anticipated ongoing purchases of each item which the Company asserts to be a shelf item within the meaning of paragraph B-2-a above. If the Union members of the committee so request, the list shall not include any item included on a previous list where the status of that item, as a shelf item, has been expressly resolved. Within sixty (60) days of the submission of the list, either the Union members or the Company members may convene a prompt meeting of the committee to discuss and review the list of items and, if requested, the facts underlying the Company's assertion that such items are shelf items. 

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2. The committee may resolve the matter by mutually agreeing that the item in question either is or is not a shelf item. With respect to any item as to which the Union members of the committee agree with the Company's assertion that it is a shelf item, the Company shall be relieved of any obligation to furnish a contracting out notice until the next review following such agreement and thereafter, if the Union has requested that a resolved item be deleted from the shelf item list in accordance with paragraph H-1.

3. If the matter is not resolved, any dispute may be processed further by filing, within thirty (30) days of the date of the last discussion, a grievance in Step 2 of the complaint and grievance procedure described in Section 6. Except as provided in paragraph H-5 below, such a grievance shall include all items in dispute.

4. An item which the Company asserts to be a shelf item, but which was not included on the list referred to above because no purchase was anticipated, shall be listed and described on a contracting out notice provided to the Union not later than the regularly scheduled meeting of the contracting out committee next following purchase of the item. Thereafter, the parties shall follow the procedures set forth in paragraphs 2 and 3 above.

5. The Union may file a grievance in accordance with paragraph F or G of this Section 2-C with respect to any unresolved item of maintenance and repair work performed outside the plant notwithstanding the inclusion of such item on the shelf item list previously furnished to the Union by the Company, provided such grievance is filed.
within thirty (30) days of the date on which the Union knew or should have known of the performance of the work.

I  **Contractors Testifying In Arbitration**

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

J. Annual Review

Commencing on or before May 1, 1988 and annually thereafter, the Company committee members shall meet with the Union committee members for the purpose of (i) reviewing all work whether inside or outside the plant which the Company anticipates may be performed by outside contractors or vendors at some time during the following twelve (12) months and for which no mutual agreement under paragraph F exists, (ii) determining such work which should be performed by bargaining unit employees and (iii) identifying situations where the elimination of restrictive practices or conditions would promote the performance of any such work by bargaining unit employees. The Union committee members shall be entitled in conducting this study to review any current or proposed contract concerning items of work performed by outside contractors and vendors and shall keep such information in complete confidence.

By no later than June 15 of each year these local union and Company members shall jointly submit a written report to the Union Chairman of USX Negotiating Committee and the Vice President of Employee Relations of USS Division or their designees. The report shall list those items on which the parties disagree. The report
Section 2-C - Contracting Out (Contd.)

will state the reason for such disagreements.

As to individual items of work in dispute, 2.45 the reviewing parties may (i) resolve the dispute, (ii) refer their dispute to arbitration under a procedure to be established by the parties and the Board of Arbitration or (iii) refer the matters back to the plant without resolution in which event the specific disputes will be handled under the provisions of this section at the time they may arise.

K. District Director/Company Labor Relations Representative

It is the intent of the parties that the 2.46 members of the joint plant contracting out committee shall engage in discussions of the problem involved in this field in a good-faith effort to arrive at mutual understanding so that disputes and grievances can be avoided. If either the Company or the Union members of the committee feel that this is not being done, they may appeal to the District Director of the Union who has jurisdiction of the plant in question and the appropriate representative of the Company Headquarters for review of the complaint about the failure of the committee to properly function. Such appeal shall result in a prompt investigation by the District Director or his designated representative and the Company's labor relations representative designated for such review. This provision should in no way affect the rights of the parties in connection with the processing of any grievance relating to the subject of contracting out.

L. General Provisions

Where at a particular plant, it is found 2.47 in a case arising subsequent to August 1, 1999, that the Company (i) engaged in conduct which constitutes willful or repeated violations of paragraph B.1 or B.2,
Section 4 - Responsibilities of the Parties

the first of which occurred on or after August 1, 1998; or (ii) violated a cease and desist order previously issued by the Board of Arbitration in connection with a violation of paragraph B.1 or B.2 arising on or after August 1, 1998; or (iii) in cases, the earliest of which arose on or after August 1, 1999, engaged in a pattern of conduct of repeated violations of paragraph B.1 or B.2 but where no remedy was otherwise appropriate because of practical overtime limits or the unavailability of employees to perform the improperly contracted out work, the Board of Arbitration shall, as circumstances warrant, fashion a remedy or penalty specifically designed to deter the behavior described in (i), (ii), or (iii), above.

SECTION 3 — MANAGEMENT

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.

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.

SECTION 4 — RESPONSIBILITIES OF THE PARTIES

Each of the parties hereto acknowledges the rights and responsibilities of the other party and agrees to discharge its responsibilities under this Agreement.
Section 4 - Responsibilities of the Parties (Contd.)

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

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

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

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

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

3. There shall be no strikes, work stoppages, or interruption or impeding of work. No officer or representative of the Union shall authorize, instigate, aid, or condone any such activities. No employee shall participate in any such activities.

4. The applicable procedures of the Agreement will be followed for the settlement of all complaints or grievances.

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

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

7. It is the continuing policy of the Company and the Union that the provisions of this Agreement shall be applied to all employees without regard to race, color, religious creed, national origin, citizenship, handicap, disabled veterans and veterans of the Vietnam era, sex or age, except where sex or age is a bona fide occupational qualification. It is also the continuing policy of the Company
and the Union that all employees shall be provided a workplace free of sexual harassment. The Company and the Union agree to cooperate in dealing with the problem of sexual harassment where it occurs. Sexual harassment shall be considered discrimination under this provision. In the event that any such discrimination should occur, the Company shall take corrective action as appropriate. Neither the Company nor Union shall retaliate against an Employee who complains of such discrimination, or who is a witness to such discrimination. The Company, the Union and the employees recognize their obligations and/or rights under existing federal, state and local laws with respect to civil rights discrimination matters. The representatives of the Union and the Company in all steps of the complaint and grievance procedure and in all dealings between the parties shall comply with this provision.

A joint committee on civil rights shall be established at each plant. The Union representation on the committee shall be no more than three members of the Union, in addition to the local union president and chairman of the grievance committee; provided, however, that practices presently prevailing as to the composition of the Civil Rights Committee shall continue in effect. The Union members shall be certified to the Manager, Employee Relations at each plant by the Union and the Company members shall be certified to the District Director.

The Company and Union members of the joint committee shall meet at mutually agreeable times, but no less than once each month. The joint committee shall review matters and complaints involving civil rights. The Joint Committee shall also re-
view and investigate complaints involving Civil Rights and attempt to resolve same.

In the event that an Employee Civil Rights complaint involving a claim of discrimination reviewed by the Joint Committee is not resolved by the Joint Committee, it may be processed as a grievance. Such grievance may be filed by the Chairman of the Grievance Committee in the second step of the grievance procedure as provided in Section 6. However, the Company will not be required to submit a written record in order for the Union to file a grievance in the second step of the grievance procedure. It is not intended by the parties that this Committee shall displace the normal operation of the grievance procedure. The Joint Committee shall have no jurisdiction over the initiating, filing, or processing of grievances. If a Civil Rights complaint is referred to the Joint Committee, the time limit for filing a grievance in the second step will commence the day following the date of the initial Joint Committee meeting in which the Civil Rights complaint was discussed, unless the Company and Union members of the Joint Committee mutually agree to an extension; provided, however, the Civil Rights complaint was recorded with the Joint Committee within 30 calendar days after the date on which the facts or events upon which the Civil Rights complaint is based shall have existed or reasonably should have become known to the employee or employees affected thereby.

8. There shall be no lockouts: 4.14

9. All complaints or grievances shall be considered carefully and processed promptly in accordance with the applicable procedures of this Agreement.
10. The local union president will be permitted access to the plant at reasonable times when necessary to transact legitimate Union business pertaining to the administration of the applicable agreements between the parties after notice to the superintendent of personnel services or his designated representative. Should it become necessary for the local union president to visit other departments of the plant to transact such Union business at a time when he is at work, he shall be granted such time off without pay as necessary for such purpose after release from duty (which shall not be unreasonably withheld) by his own department head or his designated representative and clearance from the superintendent of personnel services or his designated representative.

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

SECTION 5 — UNION MEMBERSHIP AND CHECKOFF

A. Union Membership
1. Each employee who on the effective date of this Agreement is a member of the Union in good standing and each employee who becomes a member after that date shall, as a condition of employment, maintain his membership in the Union.
2. Each employee hired on or after July 1, 1956, shall, as a condition of employment, beginning on the 30th day following the beginning of such employment or the effective date of this Agreement, whichever is the later, acquire and maintain membership in the Union.

3. On or before the last day of each month the Union shall submit to the Company a notarized list showing separately for each plant the name, department symbol, and check or badge number of each employee who shall have become a member of the Union in good standing other than pursuant to Section 5-A-2 above since the last previous list of such members was furnished to the Company. The Company shall continue to rely upon the membership lists which have been certified to it by the Union as of December 31, 1951, subject to revision by the addition of new members certified to it by the Union between such date and the date of this Agreement and to the deletion of the names of employees who have withdrawn from membership during such period.

For the purposes of this Section, an employee shall not be deemed to have lost his membership in the Union in good standing until the International Treasurer of the Union shall have determined that the membership of such employee in the Union is not in good standing and shall have given the Company a notice in writing of that fact.

4. In states in which the foregoing provisions may not lawfully be enforced, the following provisions, to the extent that they are lawful, shall apply:

Each employee who would be required to acquire or maintain membership in the
Union if the foregoing Union security provisions could lawfully be enforced, and who fails voluntarily to acquire or maintain membership in the Union, shall be required as a condition of employment, beginning on the 30th day following the beginning of such employment or the date of this Agreement, whichever is later, to pay to the Union each month a service charge as a contribution toward the administration of this Agreement and the representation of such employees. The service charge for the first month shall be in an amount equal to the Union's regular and usual initiation fee and monthly dues and for each month thereafter in an amount equal to the regular and usual monthly dues.

5. The foregoing provisions shall be effective in accordance and consistent with applicable provisions of federal and state law.

B. Checkoff

1. The Company will check off dues, assessments and initiation fees each as designated by the International Secretary-Treasurer of the Union, as membership dues in the Union, on the basis of individually signed voluntary checkoff authorization cards in forms agreed to by the Company and the Union.

2. At the time of his employment the Company will suggest that each new employee voluntarily execute an authorization for the checkoff of Union dues in the form agreed upon. A copy of such authorization card for the checkoff of Union dues shall be forwarded to the financial secretary of the local union along with the membership application of such employee.
3. New checkoff authorization cards other than those provided for by Section 5-B-2 above will be submitted to the Company through the financial secretaries of the local unions at intervals no more frequent than once each month. On or before the last day of each month the Union shall submit to the Company a summary list of cards transmitted in each month.

4. Deductions on the basis of authorization cards submitted to the Company shall commence with respect to dues for the month in which the Company receives such authorization card or in which such card becomes effective, whichever is later.

5. The Union will be notified of the reason for nontransmission of dues in case of interplant transfer, layoff, discharge, resignation, leave of absence, sick leave, retirement, death, or insufficient earnings.

6. Unless the Company is otherwise notified, the only Union membership dues to be deducted for payment to the Union from the pay of the employee who has furnished an authorization shall be the monthly Union dues. The Company will deduct initiation fees when notified by notation on the lists referred to in paragraph 3 of this Subsection, and assessments as designated by the International Secretary-Treasurer. With respect to checkoff authorization cards submitted directly to the Company, the Company will deduct initiation fees unless specifically requested not to do so by the International Secretary-Treasurer of the Union after such checkoff authorization cards have become effective. The International Secretary-Treasurer of the Union shall be provided with a list of those em-
Section 6 - Adjustment of Complaints and Grievances

ployees for whom initiation fees have been deducted under this paragraph.

7. The parties will make mutually satisfactory arrangements at the local level to insure that those employees who have signed effective checkoff authorizations will be picked up so long as the Company is not required to compile additional records.

8. The parties shall make such arrangements as may be necessary to adapt the foregoing checkoff provisions to the checkoff of the service charge referred to in Section 5-A-4 above pursuant to voluntary authorizations therefor.

9. The provisions of this Subsection B shall be effective in accordance and consistent with applicable provisions of federal law.

C. Indemnity Clause

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

SECTION 6 — ADJUSTMENT OF COMPLAINTS AND GRIEVANCES

A. Purpose

The purpose of this Section is (1) to provide opportunity for discussion of any complaint, and (2) to establish procedures for the processing and settlement of complaints or grievances as defined in Subsection B of this Section.
Section 6 – Adjustment of Complaints and Grievances (Contd.)

B. Definitions
1. “Complaint” as used in this Agreement shall 6.2 be interpreted to mean a request or complaint.
2. “Grievance” as used in this Agreement is 6.3 limited to a complaint of an employee which involves the interpretation or application of, or compliance with, the provisions of this Agreement.
3. “Day” as used in this Section 6 shall mean 6.4 calendar day, but shall not include any Saturday, Sunday, or holiday unless otherwise indicated herein.

C. Complaint and Grievance Procedure

Any employee who believes that he has a justifiable complaint may discuss the complaint with his supervisor, with or without the grievance or assistant grievance committeeman being present, as the employee may elect, in an attempt to settle same. However, any such employee may instead, if he so desires, report the matter directly to his grievance or assistant grievance committeeman and in such event the grievance or assistant grievance committeeman can refer it to Step 1 by completing a Complaint Form, on forms furnished by the Company, which shall among other items include the signatures of the committeeman and the employee. The division manager or his representative shall sign and date the Complaint Form and return a completed copy to the committeeman.

Step 1- Oral

A complaint received in Step 1 shall be discussed in an attempt of settlement at a mutually convenient time between the grievance or assistant grievance committee-
man and the division manager or his representative. The grievance or assistant grievance committeeman and the division manager or his representative shall be responsible for conducting the Step 1 hearing. The Step 1 hearing shall be held within 15 days of receipt of the Complaint Form. Step 1 participants should also include, unless otherwise agreed, the involved employee and supervisor. Either party may call witnesses who are employees of the Company and whose attendance shall be limited to time required for their testimony.

The Step 1 participants may by agreement invite to participate in the discussion such additional representatives from the plant as may be available for aid but such additional participants shall not relieve the grievance or assistant grievance committeeman and the division manager or his representative from responsibility for solving the problem. To facilitate such discussion, the Step 1 participants may extend the time limit herein.

The division manager or his representative shall answer the complaint no later than 5 days after the Step 1 hearing. The division manager or his representative shall have the authority to settle the complaint. The grievance or assistant grievance committeeman shall have the authority to settle, or withdraw the complaint, or file a grievance in writing as provided below.

The resolution of a complaint in Step 1 shall be without prejudice to the position of either party. If the complaint is settled in Step 1, the Complaint Form shall be so noted by the signature of the Step 1 representatives and the date thereof.

If the complaint is not settled in Step 1, in order to be otherwise eligible for appeal to Step 2 as a grievance, a written record shall be developed as provided below. In the interest of
settling grievances at plant level, the facts and positions relied on by each party shall be fully set forth. The Union shall, within 7 days of the Company Step 1 oral response, submit to the Company, on a form furnished by the Company, the complaint number, statement of grievance, Union understanding of facts, position and reasons therefor, remedy requested, date submitted, and signature of committeeman. Upon receipt, the Company shall be required within 7 days to submit to the Union, on a form furnished by the Company, the complaint number, date of first Step 1 discussion, Company understanding of facts, position and reasons therefor, Company answer, date submitted, and signature of Company representative. These two completed forms shall comprise the written record.

Step 2 - Written

In order to be considered further, a grievance shall be filed by the Union with the general manager and/or his representatives within 10 days of receipt of the written record, by proper notation on such written record.

Except as it would be unduly burdensome upon the parties, such grievance shall be discussed at the next regular monthly meeting (or such time as may be agreed) between the chairman and/or secretary of the grievance committee and the plant general manager and/or his representatives. Either party may call witnesses who are employees of the Company and their attendance shall be limited to time required for their testimony. The grievant (or a reasonable number of grievants if the grievance involves more than one grievant) may be present if so requested by the chairman and/or secretary of the grievance committee. Additionally, the grievance committeeman involved should be present for his grievances, if he is available. Also, in contracting out or safety grievances, a
representative of the relevant committee may be present. If the parties agree that additional facts are needed, the grievance shall be held in the second step while first step representatives are assigned to develop the facts within 10 days.

Grievances discussed in Step 2 shall be answered by the general manager or his representative in writing (Company Step 2 Answer) which shall be given to the chairman of the grievance committee within 10 days after the date of the Step 2 meeting or after the date additional facts are acquired where additional facts were needed by the parties, unless a different date is mutually agreed upon.

If the grievance is not settled in Step 2, in order to be otherwise eligible for appeal to Step 3, the Union shall sign and return to the Company, within 5 days of receipt, the Company Step 2 Answer. On the Company Step 2 Answer, the Union shall indicate, on a space provided by the Company, whether the Company Answer for each grievance is accepted or rejected.

Upon receipt, the Company shall be required within 10 days to submit to the Union Step 2 minutes for grievances not settled at Step 2, which shall conform to the following general outline:

a. Date and place of meeting.

b. Names and positions of those present.

c. Identifying number and description of each grievance discussed.

d. Background information and facts.

e. Statement of Union Position as submitted in writing by the Union.

f. Statement of Management Position. Full response to all claims, points of evidence, testimony and arguments presented by
the Union. Management testimony and evidence, including past grievances and/or awards of the Board.

g. Decision reached.

If the chairman or secretary of the grievance committee shall disagree with the accuracy of the background information and facts as prepared by the Company, he shall set forth and sign his reasons for such disagreement and submit same to the Company within 10 days after receipt of the Step 2 minutes.

The general manager and/or his representative shall have authority to settle any grievance before him. The chairman of the grievance committee shall have authority to settle, withdraw, or recommend for appeal to Step 3 of the grievance procedure, any grievance before the grievance committee. The resolution of a grievance in Step 2 shall be without prejudice to the position of either party.

Step 3 - Written

In order for a grievance to be considered further, written notice of appeal shall be served, within 10 days after receipt of the Step 2 minutes, by the representative of the International Union, certified to Management in writing, upon the representative of the Company, similarly certified to the Union by the Company. No employee grievances shall be permitted to progress into this Step without review by the Union’s District Director or his designated representative.

Discussion of the appealed grievance shall take place at the earliest date of mutual convenience following receipt of the notice of appeal, but not later than 30 days thereafter. Step 3 meetings shall not be postponed except in unusual circumstances. Any party requesting a
postponement shall do so in writing, giving the reason therefor and stating that the meet­
ing shall take place at a prompt later date. A copy of the written postponement request shall be included with the quarterly report provided for in Appendix J — Paragraph 1.

Grievances discussed in such meeting shall be answered, in writing, by the designated representative of the Company within 15 days after the date of such meeting unless by mutual agreement a different date for disposition is agreed upon.

Step 3 meetings shall be limited to the designated representative of the Company and the designated representative of the Interna­
tional Union. If the International representa­
tive so desires, the chairman of the grievance committee or his representative and the grievant (or a reasonable number of grievants if the grievance involves more than one grievant) may be present. If the Company representative so desires, the Company’s second step represen­
tative may be present. No witnesses shall be called by either party at this meeting unless otherwise mutually agreed upon in advance.

The designated representative of the Com­pany shall have authority to settle the griev­
ance. The designated representative of the International Union shall have authority to settle, withdraw or appeal the grievance to the Board.

The designated representative of the Inter­
national Union may, by written notice served simultaneously on the Board and the designated representative of the Company within 30 days from the receipt of such written answer, appeal the grievance to the Board.

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

D. General Provisions Applying to Complaints and Grievances

1. Except as may be otherwise provided in this Agreement, any complaint (or grievance when filed directly in Step 2 or higher) shall be initiated promptly after the date of the event upon which the complaint or grievance is based, or the date on which such event should reasonably have become known.

2. At all steps in the complaint and grievance procedure, the grievant and the Union representatives should disclose to the Company representatives a full and detailed statement of the facts relied upon, the remedy sought, and the provisions of the Agreement relied upon. In the same manner, Company representatives should disclose all the pertinent facts relied upon by the Company.

3. The grievance committee along with the local union president (if he so desires) and the general manager and/or his labor relations representatives shall have a regular monthly meeting to discuss appropriate matters.

4. Except as may be otherwise provided in this Agreement, all complaints shall be initiated and discussed at the Step 1 level.

5. If a decision with respect to a complaint or a grievance is not referred or appealed in accordance with the time limits set forth in each Step, the matter shall be considered settled on the basis of the decision last made and shall not be eligible for further appeal.

6. If the Company's discussion or answer to a complaint or a grievance is not given within the prescribed time requirements in any
Section 6 — Adjustment of Complaints and Grievances (Contd.)

Step, the Union after notifying the Company may refer or appeal to the next Step.

7. In order to avoid the necessity of initiating multiple complaints or grievances on the same subject or event, or concerning the same alleged contract violation occurring on different occasions, a single complaint or grievance may be processed and the facts of alleged additional violations (including the dates thereof) may be presented in the appropriate Step. Such additional claims shall be initiated promptly and additional claimants shall sign a special form to be supplied by the Company for this purpose. When the original complaint or grievance is resolved in the complaint and grievance procedure or in arbitration, the parties resolving such complaint or grievance (the Third Step representatives if resolved by arbitration) shall review such pending claims in the light of the decision in an effort to dispose of them. If any such claim is not settled, it shall be considered as a complaint or grievance and processed in accordance with the applicable procedure and the applicable time limitations.

8. In case a complaint involves a large group of employees, a reasonable number may participate in the discussion in Step 1.

9. Complaints or grievances which are not initiated in the proper Step of the complaint and grievance procedure shall be referred to the proper Step for discussion and answer by the Company and the Union representatives designated to handle complaints or grievances in such Step.

10. The chairman of the Union's plant grievance committee may file grievances in writing, if he believes this to be necessary,
concerning alleged violations of Section 2-B, Subsection 4-7, or Section 13, in conformity with the provisions of Section 6.

11. In any settlement involving retroactive payments, the appropriate Union and Company representatives shall expeditiously determine the identity of the payees and the specific amount owed each payee. Payment shall be made promptly but, unless otherwise mutually agreed, if the payment is not made within 45 days after such determination, the affected payee(s) will be paid interest from the date of such determination at the rate of 7 percent per annum.

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

12. In the event either party fails to develop the grievance papers or refuses to schedule or attend meetings for any complaint or grievance by the end of the time limits specified for Step 1, Step 2, or Step 3 of the grievance procedure, such grievance shall be considered settled in favor of the non-defaulting party, with an appropriate remedy to grievant(s) if in favor of the Union. The Union shall not seek to enforce the time
limits of this Section of the Agreement unless the appropriate Company representative is notified in writing of the Union’s intent to invoke time limits. After receipt of such notice, the Company representative shall have the additional time (described below) after the expiration of the normal Section 6 time limits to correct such failure without incurring a penalty. The Company shall not seek to enforce the time limits under this Section of the Agreement to consider a grievance settled in its favor unless the appropriate Union representative responsible for appealing the grievance to the next Step is first notified in writing of the Company’s intention to invoke the normal Section 6 time limits. After receipt of such notice, the Union representative shall have the additional time (described below) to appeal such grievance(s).

The additional time period, after notification, for either party to correct its failure to process the complaint or grievance shall be 6 days. In exceptional cases, involving, for example, a large number of complaints or grievances a reasonable extension of time beyond the 6 days shall be agreed to in writing.

By mutual agreement and for good cause, reasonable extensions of time will be given either party in writing; agreement to such extensions of time shall not be arbitrarily withheld by either party. Any dispute resulting from the application of this time limit procedure shall be processed solely through the complaint and grievance procedure under Section 6.

Any difficulty in administering or abuse of this new procedure shall be promptly investigated by the Company and Interna-
tional Union and appropriate steps shall be taken to remedy such problem.

E. Union Complaints or Grievances

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

F. Suspension of Complaint and Grievance Procedure

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

G. Waiver of Complaint and Grievance Procedure

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

H. Access to a Plant

The District Director and the representative of the Union who customarily handles grievances from a plant in Step 3 shall have
access to the plant, subject to established rules of the plant, at reasonable times to investigate grievances with which they are concerned.

I. Union Grievance Committee

1. The number of plant grievance committee members, one of whom shall be the chairman and one of whom shall be the secretary of the committee, shall be not less than three nor more than ten employees of the plant (except in a plant of 12,000 and over the maximum may be increased to 13). The committee shall be designated by the Union. Committee members will be afforded such time off without pay as may be required to:

a. Attend scheduled committee meetings, which shall be held not less than once each month (unless by agreement between the grievance committee and the plant management no monthly meeting is required);

b. Attend meetings pertaining to suspension or discharge or other matters which cannot reasonably be delayed until the time of the next regular meeting; and

c. Visit departments at all 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 or his designated representative and if the grievance committee member is then at work, permission (which shall not be unreasonably withheld) from his own department head or his designated representative.

2. The actual number of members of the plant grievance committee shall be mutually agreed upon between Management of the plant and the Union. The grievance committee members shall be selected by the Union.
Section 7 - Arbitration

3. Where the grievance committee so decides, assistant grievance committeemen may be designated by the Union at any plant to aid the grievance committee. The number of assistant grievance committeemen shall not exceed one per 200 employees.

Allocation of assistant grievance committeemen to the plant units shall be determined by the grievance committee at each plant. Each assistant grievance committeeman shall be an employee of the plant unit which he represents. Each assistant grievance committeeman shall:

a. Be limited to the handling of complaints in Step 1 within the plant unit represented by him; and

b. Upon reasonable notice to and approval by his immediate supervisor, be afforded such time off without pay, which shall not be arbitrarily withheld, as may be required for the purpose of investigating the facts essential to the settlement of any complaint.

4. Replacements for grievance committeemen necessitated by vacation and/or illness shall be designated by the appropriate Union official from employees actively employed at the time of appointment.

SECTION 7 — ARBITRATION

A. Board of Arbitration

1. The Board of Conciliation and Arbitration established under the March 13, 1945 Agreement between the Company and the Union is hereby reestablished and designated as
the Board of Arbitration (herein referred to as the “Board”) for the term of this Agreement.

There shall be a Chairman of the Board who shall serve in accordance with the conditions mutually agreed upon by the parties.

In the event of the resignation, incapacity, or death of the Chairman, the parties shall, as promptly as possible, mutually designate a successor. Decisions of the Board shall be the responsibility of the Chairman.

2. The Board shall have jurisdiction and authority only to interpret, apply, or determine compliance with the provisions of this Agreement and such local working conditions as may hereafter be in effect in the plants of the Company, insofar as shall be necessary to the determination of grievances appealed to the Board. The Board shall not have jurisdiction or authority to add to, detract from, or alter in any way the provisions of this Agreement.

The Board shall also have jurisdiction and authority only to interpret, apply or determine compliance with respect to the Insurance Agreement between the parties, including the Program of Insurance Benefits (PIB), in order to dispose of grievances properly arising under Section 19 of this Agreement. The Board shall not have jurisdiction or authority to add to, detract from, or alter in any way the provisions of the Insurance Agreement (including PIB).

3. The Board, after consultation with the Company and the Union, shall adopt such additional rules and regulations required to govern its procedure and administration. Such consultation shall take place...
before any such rules and regulations are made effective.

4. The Board shall not docket an appeal which is not filed within the time provided in Section 6 — Adjustment of Complaints and Grievances for filing notice of appeal from a decision in Step 3.

A case scheduled for hearing shall not be postponed except as the Board determines that extreme circumstances require postponement.

5. The Board shall afford to the Company and the Union a reasonable opportunity to present evidence and to be heard in support of their respective positions. The Company agrees that it shall not subpoena or call as a witness in arbitration proceedings any employee or retiree from a production and maintenance or a salaried clerical and technical bargaining unit in the plant from which the grievance arises. The Union agrees that it shall not subpoena or call as a witness in such proceedings any nonbargaining unit employee or retiree. For purposes of this subparagraph 5 only a retiree will be defined as an individual actually receiving a current pension, and will have his status determined by reference to the last job worked prior to retirement.

6. The decision of the Board on any issue properly before it in accordance with the provisions of this Agreement shall be final and binding upon the Company, the Union, and all employees concerned. Where the parties are in disagreement with respect to the meaning and application of an arbitration award either party may apply to the Board for a compliance hearing in accordance with the Board's Rules of Procedure. Such application shall be given priority and
be resolved by the Board within 30 days thereafter, unless the case is of unusual complexity.

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

a. The effective date for adjustment of grievances relating to:

(1) Suspension and discharge cases or cases involving rates of pay for new or changed jobs or incentives shall be determined in accordance with the provisions of Section 8 — Suspension and Discharge Cases and Section 9 — Rates of Pay, respectively, of this Agreement.

(2) Seniority cases shall be the date of the occurrence or nonoccurrence of the event upon which the grievance is based, but in no event earlier than 30 days prior to the date on which the Complaint Form was initiated, except as otherwise provided in Section 13 — Seniority.

(3) Rates of pay (other than new or changed jobs or incentives), shift differentials, overtime, holidays, jury pay, Sunday premium, allowed time, vacations, and any other matter which is not of a continuing nature, shall be the date of the occurrence or nonoccurrence of the event upon which the grievance is based.

b. The effective date for adjustment of grievances involving matters other than those referred to in Subsection A-7-a above, and which are of a continuing nature, shall be no earlier than 30 days prior to
Section 7 - Arbitration (Contd.)

the date the Complaint Form was initiated.

c. Awards of the Board involving the payment of monies for a retroactive period shall be implemented promptly by the parties in accordance with Subsection 6-D-11 of this Agreement.

8. If the officers of the Company and of the Union shall so agree in writing, any request or complaint not a proper matter of grievance and thus not appealable to the Board, or other matter not covered by the procedures of Section 6 — Adjustment of Complaints and Grievances, may be referred to the Board for determination upon such terms as the parties may mutually agree.

9. The Board shall have the authority to maintain suitable offices which shall be located in Pittsburgh, Pennsylvania, and to employ the services of necessary personnel to meet its requirements. All expenses of the Board and the compensation of the Chairman of the Board shall be shared equally by the Company and the Union. The Board shall operate within a budget which must have the approval of the Company and the Union.

10. The Chairman of the Board, in consultation with the parties, may employ one assistant (or more, if agreed upon with the parties) to analyze cases, conduct hearings and recommend decisions, so that the Board’s docket can be brought to a current status and maintained currently.

11. 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 strike, work stoppage, or interruption or impeding of work is in effect.

12. If at any time during the term of this Agreement the President of the International Union and the Personnel Services Executive of the Company agree that a problem requiring special attention has developed in the functioning of the arbitration procedure, an Arbitration Procedure Review Committee shall be established consisting of an agreed-upon number of persons appointed by each party. The Committee shall be authorized to review the functioning of the arbitration procedure, to make such recommendation as it deems proper with respect to the problem, and to report its findings to such officials, but it shall not concern itself with any case which has been appealed to the Board. The Committee shall be discontinued after it has completed its review and report.

B. Expedited Arbitration Procedure

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

1. The expedited arbitration procedure shall be implemented in light of the circumstances existing in each plant, with due regard to the following:

   a. In accordance with the understanding made by the Staff Representative of the Union designated pursuant to the Basic Labor Agreement and his Company counterpart, the local union and the local management shall appeal the grievance
Section 7 - Arbitration (Contd.)

to an arbitrator under this expedited arbitration procedure by mutual agree-
ment of the parties.

b. The appeal shall be made within 10 7.26 calendar days of receipt of the Step 2
minutes.

c. All grievances appealed to Step 3 of the 7.27 grievance procedure shall be reviewed by
each respective Third Step Representa-
tive, and within 10 days after receipt of
appeal of such grievance either Third
Step Representative may communicate
with the other and then jointly deter-
mine whether such grievance does not
warrant disposition in the Third Step
but is rather appropriate for expedited
arbitration and therefore agree to refer
such grievance back to the Second Step
parties for review and disposition. Any
grievance so referred back to the Second
Step parties and for which no agreement
can be reached for disposing of the same,
may then be appealed by the chairman
of the grievance committee to the expe-
dited arbitration procedure. Such ap-
peal shall be made within 15 days
(excluding Saturdays, Sundays, and
Holidays) after the date the grievance is
referred to Step 2. If the grievance is not
so appealed to the expedited arbitration
procedure, it shall be considered with-
drawn.

d. As soon as it is determined that a griev-
ance is to be processed under this proce-
dure, the local parties shall notify the
Administrative Secretary of the area
panel. The appeal shall include the date,
time and place for the hearing. There-
after the Rules of Procedure for Expedited
Arbitration shall apply.
2. The hearings shall be conducted in accordance with the following:
   a. The hearing shall be informal.
   b. No briefs shall be filed or transcripts made.
   c. There shall be no formal evidence rules.
   d. Each party's case shall be presented by a previously designated local representative.
   e. The arbitrator shall have the obligation of assuring that all necessary facts and considerations are brought before him by the representatives of the parties. In all respects, he shall assure that the hearing is a fair one.
   f. If the arbitrator or the parties conclude at the hearing that the issues involved are of such complexity or significance as to require further consideration by the parties, the case shall be referred to the Third Step and it shall be processed as though appealed on such date.

3. The arbitrator shall issue a decision no later than 48 hours after conclusion of the hearing (excluding Saturdays, Sundays and Holidays). His decision shall be based on the records developed by the parties before and at the hearing and shall include a brief written explanation of the basis for his conclusion. These decisions shall not be cited as a precedent in any discussion at any step of the grievance or arbitration procedure. The authority of the arbitrator shall be the same as that provided in Sections 7-A and 8 of the Agreement.

4. Any grievance appealed to this expedited arbitration procedure must be confined to issues which do not involve novel problems and which have limited contractual significance.
cance 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 expedited 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 expedited 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 expedited arbitration procedure, but the Board concludes that it lacks jurisdiction, the Union may appeal such grievance to expedited arbitration within ten (10) days of the date of such award.

SECTION 8 — SUSPENSION AND DISCHARGE CASES

A. Purpose

The purpose of this Section is to provide for the disposition of complaints involving suspension or discharge and to establish a special procedure for the prompt review of cases involving discharge or suspension of more than 4 calendar days. Complaints concerning suspensions of 4 calendar days or less shall be handled in accordance with Section 6 — Adjustment of Complaints and Grievances, Section 7 — Arbitration, and Appendix J — Grievance and Arbitration. Complaints concerning suspensions of 5 calendar days or more and discharges shall be handled in accordance with the procedure set forth below, including Section 6 — Adjustment of Complaints and Grievances, Section 7 — Arbitration, and Appendix J — Grievance and Arbitration.
Section 8 - Suspension and Discharge Cases (Contd.)

B. Procedure

An employee shall not be peremptorily discharged. In all cases in which Management may conclude that an employee's conduct may justify suspension or discharge, he shall be suspended initially for not more than 5 calendar days, and given written notice of such action. In all cases of discharge, or of suspension for any period of time, a copy of the discharge or suspension notice shall be promptly furnished to such employee's grievance committee.

If such initial suspension is for not more than 4 calendar days and the employee affected believes that he has been unjustly dealt with, he may initiate a complaint and have it processed in accordance with Section 6 - Adjustment of Complaints and Grievances, Section 7 - Arbitration, and Appendix J - Grievance and Arbitration.

If such initial suspension is for 5 calendar days and if the employee affected believes he has been unjustly dealt with, he may request and shall be granted, during this period, a hearing and a statement of the offense before a representative (status of department head or higher) designated by the general manager of the plant with or without an assistant grievance committeeman or grievance committeeman present as the employee may choose. At such hearing the facts concerning the case shall be made available to both parties. After such hearing, or if no such hearing is requested, Management may conclude whether the suspension shall be affirmed, modified, extended, revoked, or converted into a discharge. In the event the suspension is affirmed, modified, extended, or converted into a discharge, the employee may, within 5 calendar days after notice of such action, file a grievance in the Second Step of the complaint and grievance
procedure. Final decision shall be made by the Company in this Step within 5 calendar days from the date of the filing thereof. Such grievance shall thereupon be handled in accordance with the procedures of Section 6 — Adjustment of Complaints and Grievances, Section 7 — Arbitration, and Appendix J — Grievance and Arbitration. Grievances involving discharge which are appealed to the Board shall be docketed, heard, and decided within sixty (60) days of appeal, unless the Board determines that circumstances require otherwise. Such grievances shall be identified by the Union as discharge grievances in the appeal to the Board.

An initial suspension for not more than 4 calendar days to be extended or converted into a discharge must be so extended or converted within the 4-day period, in which case the procedure outlined in the immediately preceding paragraph shall be followed and the 5-calendar-day period for requesting a hearing shall begin when the employee receives notice of such extension or discharge.

The Company in arbitration proceedings will not make use of any personnel records of previous disciplinary action against the employee involved where the disciplinary action occurred five or more years prior to the date of the event which is the subject of such arbitration.

An employee who is summoned to meet in an office with a supervisor other than his own immediate supervisor for the purpose of discussing possible disciplinary action shall be entitled to be accompanied by his grievance committeeman or assistant grievance committeeman if he requests such representation, provided such representative is then available, and provided further that, if such representative is not then available, the employee's required
attendance at such meeting shall be deferred only for such time during that shift as is necessary to provide opportunity for him to secure the attendance of such representative.

C. Revocation of Suspensions or Discharges

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

D. Jurisdiction of the Board

Should it be determined by the Board that an employee has been suspended or discharged without proper cause therefor, the Company shall reinstate the employee and make him whole for the period of his suspension or discharge, which shall include providing him such earnings and other benefits as he would have received except for such suspension or discharge, and offsetting such earnings or other amounts as he would not have received except for such suspension or discharge. In suspension and discharge cases only, the Board may, where circumstances warrant, modify or eliminate the offset of such earnings or other amounts as would not have been received except for such suspension or discharge.

Should it be determined by the Board that an employee has been suspended or discharged for proper cause therefor, the Board shall not have jurisdiction to modify the degree of discipline imposed by the Company; provided, however, that in a discharge case arising out of a strike or work stoppage the Board shall have discretion, if it finds that the Company has
proper cause for discipline but does not have proper cause for discharge, to modify the penalty; provided, further, that in case the Board modifies the discipline the Board shall have discretion to reduce or not require the Company to pay the compensation provided above if, in its judgment, the facts warrant such an award.

The provisions of this Subsection apply to all suspensions regardless of the number of days involved.

E. Suspension of Hearing

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

SECTION 9 — RATES OF PAY

A. Standard Hourly Wage Scales

The standard hourly wage scales of rates for the respective job classes shall be those set forth in Appendices A and A-1 of this Agreement.

B. Application to the Standard Hourly Wage Scales

1. The standard hourly wage scale rate for each job shall be as set forth in Appendix A for nonincentive jobs and in Appendix A-1 for incentive jobs. In addition:

   a. A schedule of trade or craft rates, con-
taining: (1) a standard rate equal to the standard hourly wage scale rate for the respective job class of the job; (2) an intermediate rate at a level two job classes below the standard rate; and (3) a starting rate at a level four job classes below the standard rate, is established for each of the following repair and maintenance trade or craft jobs:

Blacksmith
Boilermaker
Bricklayer
Carpenter
Coremaker
Electrician (Armature Winder)
Electrician (Lineman)
Electrician (Wireman)
Electrician (Shop)
Electronic Repairman
Instrument Repairman
Lead Burner
Machinist
Millwright
Mobile Equipment Mechanic
Motor Inspector
Moulder
Painter
Pattern Maker
Pipefitter
Refrigeration Repairman
Rigger
Roll Turner
Sheet Metal Worker
Toolmaker
Welder
Ironworker
Mechanical and Hydraulic Repairman
Millwright (Expanded)
Motor Inspector (Expanded)
Systems Repairman

b. A schedule of learner rates for the re-
spective learning periods of 520 hours of actual learning experience with the Company on jobs for which training opportunity is not provided by the promotional sequence of related jobs or by apprentice training periods, is established at the level of the standard hourly wage scale rates for the respective job classes determined on the basis of the required employment training and experience time specified in factor 2 of the job classification record of the respective job for which the learner period is preparatory as follows:

(1) Seven to twelve months: one learner period classification at a level two job classes below the job class of the job.

(2) Thirteen to eighteen months: a first learner period classification at a level four job classes below the job class of the job and a second learner period classification at a level two job classes below the job class of the job.

(3) Nineteen months and above: a first learner period classification at a level six job classes below the job class of the job; a second learner period classification at a level four job classes below the job class of the job; and a third learner period classification at a level two job classes below the job class of the job.

c. The Company, at its discretion, may apply a learner rate to a learner on any job during any period of time where another employee, other than the learner, is on the job, provided the learner rate applied is: (1) the standard hourly wage scale rate for job class 1 in the case of an
employee hired for the learning job; or (2) the lower figure of: (a) the standard hourly wage scale rate of the job from which transferred; or (b) the standard hourly wage scale rate of the job being learned in the case of an employee transferred from another job in the plant.

2. Each hourly wage rate established under the foregoing paragraph 1 of this Subsection B and as set forth in Appendix A is recognized as the rate of a fair day's pay on the job and the established rate of pay for all hours of work on a nonincentive job.

3. a. Each standard hourly wage rate established under the foregoing paragraph 1 of this Subsection B and as set forth in Appendix A-1 is recognized as the rate of a fair day's pay on the job and is:

(1) The established hourly base rate of pay under any incentive that has been applied to the job since April 22, 1947, or that may be applied to the job during the term of this Agreement; and

(2) The established minimum rate of pay for the purposes of minimum guarantee set forth in Subsection F of this Section.

b. In addition, for each hour worked on an incentive job the applicable hourly additive in Appendix A-1 shall be added to incentive earnings calculated on the applicable incentive calculation rate in Appendix A-1.

4. The established rate of pay for each production or maintenance job, other than a trade or craft or learner job as defined in paragraph 1 of this Subsection B, shall apply to any employee during such time as the em-
Section 9 - Rates of Pay (Contd.)

ployee is required to perform such job.

5. The established starting rate, intermediate rate, or standard rate of pay for a trade or craft job as defined in paragraph 1-a of this Subsection B shall apply to each employee during such time as the employee is assigned to the respective rate classification in accordance with the applicable provisions of the August 1, 1971 Manual identified in Subsection D of this Section.

6. The established learner rates of pay shall apply to an employee in accordance with the learning periods defined respectively in paragraphs 1-b and 1-c of this Subsection B.

7. Subsection 9-B-8 of the September 1, 1965 Basic Agreement provided for an increase of two full job classes for each of the trade and craft jobs listed in Subsection 9-B-1-a of such Agreement, and similarly other jobs were increased by two full job classes pursuant to Appendix E (Trade and Craft Memorandum of Understanding) of such Agreement. Subsection 9-B-8 of the September 1, 1965 Agreement further provided that this addition should be identified as a trade or craft convention and should be recorded as a separate item in Factor 7 of the agreed-upon classification.

Such increase in Factor 7 is hereby made an adjustment in the Trade and Craft Master Job Classifications. In addition, the specific jobs adjusted by the two full job class additive under Factor 7 shall be deemed to be jobs classified under the August 1, 1971 Manual.

C. New and Adjusted Incentives

1. The Company, at its discretion, may establish new incentives to cover: (a) new jobs on which the Company is not required to
establish incentives; (b) jobs not presently covered by incentive applications; or (c) jobs covered by an existing incentive plan where, during a current three-month period, the straight-time average hourly earnings of employees under the plan are equal to or less than the average of the standard hourly wage rates for such employees.

2. The following shall apply to the adjustments or replacements of incentives:

   a. The Company shall adjust an incentive to preserve its integrity when it requires modification to reflect new or changed conditions which are not sufficiently extensive to require cancellation and replacement of the incentive and which result from mechanical improvements made by the Company in the interest of improved methods or products, or from changes in equipment, manufacturing processes or methods, materials processed, or quality or manufacturing standards. Such adjustment shall be made effective as of the date of the new or changed conditions requiring it and shall be established in accordance with the procedure set forth in Section 9-C-5 below.

   b. The Company shall establish a new incentive to replace an existing incentive when such new or changed conditions as defined in paragraph 2-a above are of such magnitude that replacement of the incentive is required.

   c. In the event that an incentive is to be replaced pursuant to paragraph 2-b above, and such replacement incentive is not ready for installation, the Company shall establish an interim period, until such incentive is applied, as follows:
Section 9 – Rates of Pay (Contd.)

(1) The interim period shall continue until Management installs the new incentive, which shall be at the earliest practicable date following cancellation of the incentive to be replaced, but not later than six months from such cancellation unless such period is extended by mutual agreement between Management and the plant union incentive committee (as hereinafter established).

(2) Each employee on the respective job during the interim period shall receive, in addition to the applicable standard hourly wage scale rate in Appendix A-1 and the applicable hourly additive, a special hourly interim allowance equal to the percentage equivalent of the straight-time average hourly earnings (which do not include the applicable hourly additive) above the standard hourly wage rates in Appendix A-1 of all regularly assigned incumbents of the job during the three months immediately preceding cancellation of the incentive, provided the average performance of such three-month period is maintained. If the job involved is a new job, the interim allowance shall be the average interim allowance of the incumbents to whom such allowance applies expressed as an average of the applicable percentages.

(3) Such special hourly interim allowance shall be identified with the job; apply to any employee while on such job; and continue in effect until the replacement of the cancelled incentive becomes effective.
(4) In case an employee receiving a special hourly interim allowance voluntarily maintains a performance appreciably below that of the three months immediately preceding cancellation of the incentive, after notification to such employee and the grievance or assistant grievance committee representative of the employee affected, application of the special hourly interim allowance may be suspended during such further portion of the interim period as the lower rate of performance voluntarily is maintained.

3. New incentives established pursuant to Sections 9-C-1 and 9-C-2-b above shall be established in accordance with the following procedure:

a. Management will develop the proposed incentive;

b. The proposal will be submitted to the plant union incentive committee along with such additional employees representative of those affected by the proposal as the committee and Management shall deem appropriate. Management shall explain the incentive for the purpose of arriving at agreement with such committee as to its installation. Management shall, at such time, furnish such explanation with regard to the development and determination of the incentive as shall reasonably be required in order to enable the committee and such employees to understand how such incentive was developed and determined and shall afford to them a reasonable opportunity to be heard with regard to the proposed incentive;
c. If agreement is not reached, the matter shall be reviewed in detail by the plant union incentive committee and Management for the purpose of arriving at mutual agreement as to installation of the incentive;

d. Should agreement not be reached, the proposed incentive may be installed by Management and the employees affected may at any time after 30 days, but within 180 days following installation, initiate a complaint alleging that the incentive does not provide equitable incentive compensation. Such complaint shall be initiated in Step 1 of the complaint and grievance procedure. If the grievance is submitted to the arbitration procedure, the Board shall decide the question of equitable incentive compensation and the decision of the Board shall be effective as of the date when the incentive was put into effect;

e. In the event Management does not develop an incentive, as provided in Section 9-C-2-b above, the employee or employees affected may, if initiated promptly, process a complaint under the complaint and grievance procedure of this Agreement requesting that an incentive be installed in accordance with the provisions of this Subsection. If the grievance is submitted to arbitration the decision of the Board shall be effective as of the date when the complaint was initiated.

4. When an incentive is replaced, pursuant to Section 9-C-2-b above, the incentive earnings (which do not include the applicable hourly additive) expressed as a percentage above the Appendix A-1 standard hourly
wage rate on the replacement incentive for a job covered thereunder shall not be less than the percentage of incentive earnings (which do not include the applicable hourly additive) received as an average by regularly assigned incumbents of that job under the replaced incentive during the three months preceding its cancellation provided that the average performance during such three-month period is maintained. As to any job which did not exist under the replaced incentive, the average percentage calculated for jobs which did exist shall apply under the same conditions.

5. Adjusted incentives, established pursuant 9.35 to Section 9-C-2-a above, shall be established in accordance with the following procedure:

a. Management will develop and install the 9.36 adjustment as soon as practicable;
b. The adjustment will be submitted to the 9.37 plant union incentive committee for the purpose of notification, and Management shall furnish such explanation of the adjustment as shall reasonably be required to enable such committee to understand how such adjustment was developed;
c. The employees affected may at any time 9.36 after 30 days, but within 180 days following installation, initiate a complaint which shall be processed under the complaint and grievance procedure of this Agreement. If the grievance is submitted to the arbitration procedure, the Board shall decide the issue of compliance with the requirements of Section 9-C-2-a above and the decision of the Board shall be effective as of the date when the
Section 9 - Rates of Pay (Contd.)

adjustment was put into effect;

d. In the event Management does not adjust an incentive, as provided in Section 9-C-2-a above, the employee or employees affected may, if initiated promptly, process a complaint under the complaint and grievance procedure of this Agreement requesting that an adjustment to the incentive be installed in accordance with the provisions of this Subsection. If the grievance is submitted to arbitration, the decision of the Board shall be effective as of the date when the complaint was initiated.

6. In the interest of effective administration of incentives and incentive grievances, a plant union incentive committee is established in each plant. The committee shall consist of three members, two of whom shall be permanent members of which one shall be chairman. The third member shall be the grievance committeeman from the area involving the subject incentive application. Where such application involves more than one area, the Union shall determine the appropriate grievance committeeman. The local union president shall appoint the two permanent members. Management shall provide additional materials and training for informing the permanent members of the committee on matters relating to the development and administration of incentives. The chairman of the plant union incentive committee shall be permitted to initiate complaints into the complaint and grievance procedure on behalf of employees affected by alleged violations of Subsection 9-C or 9-F. When a complaint is referred to Step 1 of the complaint and grievance procedure concerning alleged violations of Subsection 9-C or 9-F,
the chairman of the plant union incentive committee shall be exclusively responsible for processing such complaints in Step 1 and Step 2 of the complaint and grievance procedure. The chairman shall be guided by the same requirements with respect to the complaint and grievance procedure as are set forth in Section 6 for the processing of other complaints or grievances.

7. The Checklist referenced in Appendix E is provided to serve as a guide for the parties in the full and orderly presentation of all facts relating to complaints arising with respect to incentive matters under Subsection 9-C or 9-F. All information so developed shall be made a part of the written record as required in Step 2.

D. Description and Classification of New or Changed Jobs

In the interest of the effective administration of the Job Description and Classification procedures as set forth in the August 1, 1971 Job Description and Classification Manual, a plant union committee on job classification (hereinafter called the plant union committee) consisting of three employees designated by the Union shall be established in each plant.

The August 1, 1971 Job Description and Classification Manual (hereinafter referred to as the "Manual") agreed to by the parties is hereby made a part of this Agreement and shall be used to describe and classify all new or changed jobs in accordance with the following procedure:

This procedure is not to be construed or interpreted in any way as a license for any review of job descriptions and classifications currently in effect except as provided below:

1. All new jobs, including trade or craft jobs,
established on or after August 1, 1971, shall be classified by the provisions set forth in the Manual.

2. All jobs that are changed in job content (requirements of the job as to training, skill, responsibility, effort or working conditions) on or after August 1, 1971, shall be reclassified only in those factors affected by the change, using only Section V of the Manual—"The Basic Factors and Instructions for Their Application" and Section VI of the Manual—"Conventions for Classification of Designated Jobs" where applicable. When and if the net total of the changes in the factors affected equals less than one full job class, a supplementary record shall be established to maintain the job description and classification on a current basis and to enable a subsequent adjustment of the job description and classification for an accumulation of small job content changes. When and if the net total of the changes in the factors affected, or the accumulation of such changes, equals a net total of one full job class or more, a new job description and classification for the job shall be established in accordance with item 1 above.

The job description and classification for each job in effect as of the date of this Agreement shall continue in effect unless (1) Management changes the job content (requirements of the job as to the training, skill, responsibility, effort, and working conditions) to the extent of one full job class or more; (2) the job is terminated or not occupied during a period of one year; or (3) the description and classification are changed in accordance with mutual agreement of officially designated representatives of the Company and the Union.
When and if from time to time the Company, at its discretion, establishes a new job or changes the job content (requirements of the job as to training, skill, responsibility, effort, and working conditions) of an existing job to the extent of one full job class or more, a new job description and classification for the new or changed job shall be established in accordance with the following procedure:

1. Management will develop a description and classification of the job in accordance with the provisions of the Manual.

2. The proposed description and classification will be submitted to the plant union committee for approval, and the standard hourly wage scale rate for the job class to which the job is thus assigned shall apply in accordance with the provisions of Subsection B of this Section. At the same time copies of the proposed description and classification shall be sent to a designated representative of the International Union. If the job involves new-type facilities or a new-type job, special designation of this fact shall be made.

3. The plant union committee and Management shall discuss and determine the accuracy of the job description.

4. If Management and the plant union committee are unable to agree upon the description and classification, Management shall install the proposed classification, and the standard hourly wage scale rate for the job class to which the job is thus assigned shall apply in accordance with provisions of Subsection B of this Section. The plant union committee shall be exclusively responsible for the filing of grievances and may at any
time within 30 days from the date of installation file a grievance with the plant management representative designated by the Company alleging that the job is improperly described and/or classified under the provisions of the Manual. Thereupon the plant union committee and Management shall prepare and mutually sign a stipulation setting forth the factors and factor codings which are in dispute. Thereafter such grievance shall be referred by the respective parties to their Third Step Representatives for further consideration. In the event the Third Step Representatives are unable to agree on the description and classification within 30 days, they shall prepare and mutually sign a stipulation (which may amend the stipulation set forth by the plant union committee and Management) setting forth the factors and factor codings which are in dispute and a summary stating reasons for the respective positions of the parties at both the plant committee and the Third Step levels, copy of which shall be sent to a designated representative of Management and the aforementioned representative of the International Union. The receipt by the Union's Third Step Representative of such stipulation and summary shall be deemed to be receipt of the minutes for the purposes of time limit requirements in making an appeal to arbitration.

5. In the event the parties fail to agree as provided, and no request for review or arbitration is made within the time provided, the classification as prepared by the Company shall be deemed to be approved.

6. In the event Management does not develop
a new job description and classification, the plant union committee may, if initiated promptly, process a complaint under the complaint and grievance procedure of this Agreement requesting that a job description and classification be developed and installed in accordance with the provisions of the Manual. The resulting classification shall be effective as of the date when the new job was established or the change or changes installed.

E. Adjustment of Personal Out-of-Line Differentials on Incentive and Nonincentive Jobs

1. As of the effective date of any increases made in the job class increments in the standard hourly wage scale under this Agreement the personal out-of-line differentials of all incumbents of incentive and nonincentive jobs shall be adjusted or eliminated by applying that part of the increase in the standard hourly wage scale rate for the job which is attributable to the increase in the increments between job classes to reduce or eliminate such personal out-of-line differentials in accordance with past procedures applicable to nonincentive jobs. Personal out-of-line differentials on incentive jobs are those defined in Section 9-G-2 of the 1952 and 1954 Basic Agreements.

2. Any personal out-of-line differential remaining after the adjustment provided for in paragraph E-1 above shall be identified with the employee and the job occupied and shall apply only to such employee while on such job.

3. The out-of-line differential multiplied by the hours paid for on the job shall be added
Section 9 - Rates of Pay (Contd.)

to earnings of the employee.

F. Existing Incentive Plans

1. Effective August 1, 1999 each employee on a job covered by an existing incentive plan in effect on April 22, 1947, shall receive for each hour worked in addition to earnings (not including overtime, shift, and Sunday premium) received under the prior Agreement an amount equal to prior earnings less the prior applicable Hourly Additive (contained in Appendix A-1 of the February 1, 1994 Agreement) for the job times the percentage by which the incentive calculation rate after such wage change for such job exceeds the incentive calculation rate in effect just prior to such wage change plus the Hourly Additive for the job effective August 1, 1999. This method of applying the wage change shall be applied to interim allowances established in accordance with Section 9-C-2-c of this or prior Agreements.

2. All existing incentive plans in effect on April 22, 1947, including all existing rates incidental to each plan (such as hourly, the addition in paragraph 1 above, base, piecework, tonnage, premium, bonus, stand-by, etc.) and all incentives installed after April 22, 1947, shall remain in effect until replaced by mutual agreement of the plant union incentive committee and the plant management or until replaced or adjusted by the Company in accordance with Subsection C of this Section.

3. Each employee while compensated under an existing incentive plan in effect on April 22, 1947, shall receive for the applicable single or multiple number of eight-hour turns in effect as of January 13, 1947, the
highest of the following:

a. The total earnings under such plan plus the applicable hourly additive as specified in Appendix A-1;

b. The total amount arrived at by multiplying the hours worked by the existing fixed occupational hourly rate, if any; or

c. The total amount arrived at by multiplying the hours worked by the applicable standard hourly wage rate as specified in Appendix A-1 plus the applicable hourly additive.

G. Wage Rate Inequity Complaints or Grievances

No basis shall exist for an employee, whether paid on an incentive or nonincentive basis, to allege that a wage-rate inequity exists and no complaint or grievance on behalf of an employee alleging a wage-rate inequity shall be initiated or processed during the term of this Agreement.

H. Correction of Errors

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

I. Obsolete Practices with Respect to Rates of Pay

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

J. Miscellaneous

1. The Company will not establish performance standards for nonincentive jobs, except as such jobs are covered by incentives.
2. In the event an employee is assigned temporarily at the request or direction of Management from his regular job to another job, such employee, in accordance with the provisions of this Section, shall receive the established rate of pay for the job performed. In addition, while performing work under such circumstances, such employee shall receive such special allowance as may be required to equal the earnings that otherwise would have been realized by the employee. This provision shall not affect the rights of any employee or the Company under any other provision of this Agreement.

K. Shift Differentials

1. For hours worked on the afternoon shift there shall be paid a premium rate of 30¢ per hour. For hours worked on the night shift there shall be paid a premium rate of 45¢ per hour.

2. For purposes of applying the aforesaid shift differentials, all hours worked by an employee during the workday shall be considered as worked on the shift on which he is regularly scheduled to start work, except:

a. An employee regularly scheduled for the day shift who completes his regular eight-hour turn and continues to work into the afternoon shift in excess of four hours shall be paid the afternoon shift differential for all hours worked in excess of four on the afternoon shift.

b. An employee regularly scheduled for the day shift who completes his regular eight-hour turn and after leaving the Company’s premises is called out for the afternoon or night shift within the same
workday shall be paid the applicable shift differential for the hours worked on the afternoon or night shift.

3. Shifts shall be identified in accordance with the following:
   a. Day Shift includes all turns regularly scheduled to commence between 6:00 a.m. and 8:00 a.m. inclusive.
   b. Afternoon Shift includes all turns regularly scheduled to commence between 2:00 p.m. and 4:00 p.m. inclusive.
   c. Night Shift includes all turns regularly scheduled to commence between 10:00 p.m. and 12:00 midnight inclusive.

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

5. Any hours worked by an employee on a regularly scheduled shift which commences at a time not specified in paragraph 3 above shall be paid as follows:
   a. For hours worked which would fall in the prevailing day turn of the department no shift differential shall be paid.
   b. For hours worked which would fall in the prevailing afternoon turn of the department the afternoon shift differential shall be paid.
   c. For hours worked which would fall in the prevailing night turn of the depart-
ment the night shift differential shall be paid.

6. The shift differential which applies to the shift on which time is made up shall be paid for make-up time.

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

L. Sunday Premium

1. An employee shall be paid a premium of 50%, based on his regular rate of pay as defined in Section 11-B-3 for all hours worked on Sunday which are not paid for on an overtime basis.

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

3. Sunday premium based on the standard hourly wage rate shall be paid for reporting allowance hours.

M. Earnings Protection Plan

1. Purpose

The purpose of the Earnings Protection Plan (EPP) is to protect a level of earnings for hours worked by employees, with particular emphasis on employees displaced in technological change, through provision of a benefit to be known as a Quarterly Income Benefit (QIB) which, when added to an employee’s average earnings for hours worked in a quarter, will increase such average earnings to a specified percentage of the employee’s average earnings for hours worked during a base period preceding
such quarter.

2. **Definitions**

When used in the EPP or in any agreement relating thereto, the following terms are intended to have the meaning set forth below:

- **“Average Earnings”**— Average straight-time hourly rate of earnings, determined by dividing total earnings (including applicable incentive earnings but excluding shift differentials and Sunday and overtime premiums) for all hours worked by the number of hours worked.

- **“Base period”**— The pay periods paid in the calendar year preceding the benefit quarter, provided, however, that with respect to any employee who has twenty or more years of continuous service at the start of the first benefit quarter in any calendar year, the base period shall be the pay periods paid in the second calendar year next preceding the benefit quarter if his base period rate for such calendar year is higher than his base period rate for the calendar year immediately preceding the benefit quarter.

- **“Base period rate”**— The average earnings for the base period, plus the amount per straight-time hour worked of any QIB paid for straight-time hours worked in the base period.

- **“Benefit quarter”**— The pay periods paid in a calendar quarter with respect to which benefit determinations are to be made.

- **“Benefit quarter rate”**— The average earnings for the benefit quarter.

- **“Continuous Service”**— Continuous service as determined under the Company’s non-contributory pension provisions.
"Eligible employees"— Employees who have two or more years of continuous service as of the end of the benefit quarter and who have worked 160 or more hours during the base period.

"SUB Plan" — The SUB Plan established pursuant to Section 18 — Supplemental Unemployment Benefit Plan.

3. Quarterly Income Benefits

a. Each eligible employee shall receive a QIB, subject to all the provisions of the EPP, for any benefit quarter for which his benefit quarter rate does not equal or exceed 85% of his base period rate; provided, however, that any employee who has 20 or more years of continuous service at the start of the first benefit quarter in any calendar year shall receive a QIB, subject to all the provisions of the EPP, for any benefit quarter for which his benefit quarter rate does not equal or exceed 90% of his base period rate.

b. Subject to the provisions of “c” and “d” below, the amount of the QIB for an employee shall be determined with reference to the hours worked by him in the benefit quarter by multiplying (i) the sum of the number of such hours paid for at straight time plus 1.5 times the number of such hours paid for at overtime rates by (ii) the amount, if any, by which his benefit quarter rate was less than 85% of his base period rate; provided, however, that with respect to any employee who has twenty or more years of continuous service at the start of the first benefit quarter in any calendar year, the amount of the QIB shall be...
determined with reference to the hours worked by him in the benefit quarter by multiplying (i) the sum of the number of such hours paid for at straight time plus 1.5 times the number of such hours paid for at overtime rates by (ii) the amount, if any, by which his benefit quarter rate was less than 90% of his base period rate.

c. In determining the amount of a QIB, the base period rate and the benefit quarter rate shall be appropriately adjusted to neutralize the effect of any general wage change occurring after the start of the base period.

d. Any QIB otherwise payable shall be adjusted to the extent necessary to avoid a payment under this plan which would duplicate a payment under a workmen's compensation or occupational disease law or under any other arrangement which provides an earnings supplement.

4. Disqualification

a. An employee shall not be paid any QIB for any benefit quarter if it is determined that his benefit quarter rate was significantly lower than it otherwise would have been because of any of the following (occurring in or before such benefit quarter):

(1) Assignment at his own request or due to his own fault to a job with lower earning opportunities or failure to accept assignment, or to assert assignment rights, to a job with higher earning opportunities; except in the case of assignments related to
the manning of a new facility or other situations where it is clear from the surrounding circumstances that such event should not affect eligibility for a QIB.

(2) Lower average performance under any applicable incentive than that which was reasonably attainable.

(3) Any occurrence which would disqualify the employee from a Weekly Benefit pursuant to paragraph 3.5-c-(1), (2) or (3) of the SUB Plan.

b. If an employee quits or is discharged, no QIB shall be payable for the benefit quarter in which such quit or discharge occurs.

5. General

a. Any QIB payable in accordance with the terms of this plan shall be paid promptly after the end of the benefit quarter for which it is payable, shall be considered wages for the purposes of any applicable law, and shall be included in calculating earnings for the purposes of the Company’s non-contributory pension provisions and vacations, but not for the SUB Plan or any other purpose. For the purposes above provided, the QIB shall constitute wages for the calendar quarter in which it is paid.

b. The Union shall be furnished, on forms and at times to be agreed upon, such information as may be reasonably required to enable the Union to be properly informed concerning the operation of the EPP. In addition, with respect to any benefit quarter, the chairman of the
SECTION 10 — HOURS OF WORK

A. Scope

This Section defines the normal hours of work and shall not be construed as a guarantee of hours of work per day or per week. This Section shall not be considered as any basis for the calculation or payment of overtime, which is covered solely by Section 11 — Overtime-Holidays.

B. Normal Workday

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

C. Normal Work Pattern

1. The normal work pattern shall be 5 consecutive workdays beginning on the first day of any 7-consecutive-day period. The 7-consecutive-day period is a period of 168 consecutive hours and may begin on any day of the calendar week and extend into the next calendar week. On shift changes, the 168 consecutive hours may become 152 consecutive hours depending upon the change in the shift.

2. A work pattern of less or more than 5 work-
Section 10 - Hours of Work (Contd.)

D. Schedules

1. All employees shall be scheduled on the basis of the normal work pattern except where: (a) such schedules regularly would require the payment of overtime; (b) deviations from the normal work pattern are necessary because of breakdowns or other matters beyond the control of Management; or (c) schedules deviating from the normal work pattern are established by agreement between plant management and the grievance committee.

2. Schedules showing employees' workdays shall be posted or otherwise made known to employees in accordance with prevailing practices but not later than Thursday of the week preceding the calendar week in which the schedule becomes effective unless otherwise provided by local agreement. Management will establish a procedure, where such does not already exist, affording any employee whose last scheduled turn ends prior to the posting of his schedule for the following week, an opportunity to obtain information relating to his next scheduled turn. This procedure will also be applicable with respect to employees returning from vacation.

3. Schedules may be changed by Management at any time except where by local agreement schedules are not to be changed in the absence of mutual agreement; provided, however, that any changes made after Thursday of the week preceding the calendar week in which the changes are to be
effective shall be explained at the earliest practicable time to the grievance or assistant grievance committeeman of the employee affected; and provided further that, with respect to any such schedules, no changes shall be made after Thursday except for breakdowns or other matters beyond the control of Management. Should changes be made in schedules contrary to this paragraph 3 so that an employee is laid off and does not work on a day that he was scheduled to work, he shall be deemed to have reported for work on such day and shall be eligible for reporting allowance in accordance with provisions of Section 10-E, excluding Subsection 10-E-2-d.

4. Should changes be made in schedules contrary to the provisions of paragraph 3 above so that an employee is laid off on any day within the 5 scheduled days and is required to work on what would otherwise have been the sixth or seventh workday in the schedule on which he was scheduled to commence work, the employee shall be paid for such sixth or seventh day worked at overtime rates in accordance with Section 11 — Overtime-Holidays.

5. In any case where a schedule deviating from the normal work pattern has been or is established by agreement between plant management and the grievance committee, and such agreement does not by its terms provide for termination by the grievance committee, the grievance committee shall have the right to terminate such agreement upon 60 days' written notice to plant management; and likewise, any such agreement which provides for less than 60 days' notice of termination by the grievance committee is hereby amended to provide for 60 days' written notice by the grievance com-
mittee. No local agreement shall be construed as restricting Management's right at any time to replace any nonnormal schedule with a schedule based on the normal work pattern.

E. Reporting Allowance

1. An employee who is scheduled or notified to report and who does report for work shall be provided with and assigned to a minimum of 4 hours of work on the job for which he was scheduled or notified to report or, in the event such work is not available, shall be assigned or reassigned to another job of at least equal job class for which he is qualified. In the event, when he reports for work, no work is available, he shall be released from duty and credited with a reporting allowance of 4 times the standard hourly wage rate of the job (including any applicable additive in Appendix A-1) for which he was scheduled or notified to report. When an employee who starts to work is released from duty before he works a minimum of 4 hours, he shall be paid for the hours worked in accordance with Section 9—Rates of Pay and credited with a reporting allowance equal to the standard hourly wage rate of the job (including any applicable additive in Appendix A-1) for which he was scheduled or notified to report multiplied by the unutilized portion of the 4-hour minimum. Any additions provided in Section 9-K-7 and Section 9-L shall apply.

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

a. Strikes, work stoppages in connection with labor disputes, failure of utilities beyond the control of Management, or acts of God interfere with work being provided; or
b. an employee is not put to work or is laid off after having been put to work, either at his own request or due to his own fault; or

c. an employee refuses to accept an assignment or reassignment within the first 4 hours as provided in paragraph 1 above; or

d. Management gives reasonable notice of a change in scheduled reporting time or that an employee need not report. Local management and the grievance committee shall promptly determine what constitutes reasonable notice.

F. Absenteeism
1. Whenever an employee has just cause for reporting late or absenting himself from work, he shall, whenever practicable, give notice as far in advance as possible to his supervisor or other person designated to receive such notice.

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

3. When an employee has completed twelve (12) consecutive months of work without discipline for failure to comply with the requirements specified in 1 and 2 above, prior disciplinary penalties for such offenses not exceeding four days' suspension shall not be used for further disciplinary action.

G. Allowance for Jury or Witness Service
An employee who is called for jury service...
or subpoenaed as a witness shall be excused from work for the days on which he serves. Service, as used herein, includes required reporting for jury or witness duty when summoned, whether or not he is used. Such employee shall receive, for each such day of service on which he otherwise would have worked, the difference between the payment he receives for such service in excess of $5 and the amount calculated by the Company in accordance with the following formula. Such pay shall be based on the number of days such employee would have worked had he not been performing such service (plus any Holiday in such period which he would not have worked) and the pay for each such day shall be eight (8) times his average straight-time hourly rate of earnings (including applicable incentive earnings but excluding shift differentials and Sunday and overtime premiums) during the last payroll period worked prior to such service. The employee will present proof that he did serve or report as a juror or was subpoenaed and reported as a witness, and the amount of pay, if any, received therefor.

H. Overtime

1. The parties recognize that schedules that regularly require overtime over extended periods are undesirable and should not be used solely for the purpose of preventing the recall of laid-off or demoted employees.

2. When employees qualified to perform the work could be recalled because it is reasonably foreseeable that there will be work for such employees for a period of two or more weeks, and Management determines that such work should nevertheless be done on an overtime basis instead of recalling such employees, it will first notify the Union and,
Section 10 - Hours of Work (Contd.)

upon the request of the appropriate grievance committeeman, will discuss its reasons and review with him any suggested alternative in an effort to reach a mutually satisfactory solution. Such discussion and review will constitute full compliance with the requirements of this Subsection H-2 and Subsection H-1 above.

3. Nothing in Subsections H-1 and -2 above shall prejudice any other rights which may exist under any other provision of the Agreement, nor affect local agreements or practices existing as of the date of this Agreement.

4. Where local practices or agreements with respect to the distribution of overtime do not presently exist, the local plant management and the local union grievance committee should conclude promptly an agreement providing for the most equitable overtime distribution consistent with the efficiency of the operation.

I. Allowance for Funeral Leave

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

SECTION 11 — OVERTIME-HOLIDAYS

A. Purpose

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

B. Definition of Terms

1. The payroll week shall consist of 7 consecutive days beginning at 12:01 a.m. Sunday or at the turn-changing hour nearest to that time.

2. The workday for the purposes of this Section is the 24-hour period beginning with the time the employee begins work, except that a tardy employee's workday shall begin at the time it would have begun had he not been tardy.

3. The regular rate of pay, as the term is used in Subsection C below, shall mean the hourly rate which the employee would have received for the work had it been performed during nonovertime hours; for employees on an incentive, tonnage or piecework ba-
sis, such regular rate of pay shall be the average straight-time hourly earnings as computed in accordance with existing practices.

C. Conditions Under Which Overtime Rates Shall Be Paid

1. Overtime at the rate of one and one-half times the regular rate of pay shall be paid for:

a. Hours worked in excess of 8 hours in a workday;

b. Hours worked in excess of 40 hours in a payroll week;

c. Hours worked on the sixth or seventh workday in a payroll week during which work was performed on 5 other workdays;

d. Hours worked on the sixth or seventh workday of a seven-consecutive-day period during which the first five days were worked, whether or not all of such days fall within the same payroll week, except when worked pursuant to schedules mutually agreed to as provided for in Subsection D of Section 10 — Hours of Work; provided, however, that no overtime will be due under such circumstances unless the employee notifies his foreman of a claim for overtime within a period of one week after such sixth or seventh day is worked or, if he fails to do so, initiates a complaint claiming such overtime within 30 days after such day is worked; and provided further that on shift changes the 7-consecutive-day period of 168 consecutive hours may become 152 consecutive hours depending upon the change in the shift;

e. Hours worked under the conditions
specified in Subsection D-4 of Section 10 — Hours of Work;

f. Hours worked on a second reporting in the same workday where the employee has been recalled or required to report to the plant after working less than 8 hours on his first shift, provided that his failure to work 8 hours on his first reporting was not caused by any of the factors mentioned in Section 10-E-2 for purposes of disqualifying an employee for reporting allowance.

2. For all hours worked by an employee on any of the Holidays specified below, overtime shall be paid at the overtime rate of two and one-half times his regular rate of pay.

The Holidays specified are January 1, Memorial Day which shall be the last Monday in May (by local agreement another day may be chosen provided such agreement is reached prior to April 1 of each year), July 4, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Day, the Day Before Christmas Day, April 28, (Workers' Memorial Day), and Good Friday. In addition, there will be one floating holiday in each of the years 2000, 2001, 2002, 2003, and 2004. The local parties shall agree on which day the floating holiday shall be observed by not later than October 1 of the preceding year. However, at any Works consisting of more than one plant, the floating holiday must be the same for each plant of that Works. The Holiday shall be the 24-hour period beginning at the turn-changing hour nearest to 12:01 a.m. of the Holiday. If the calendar Holiday is on Sunday, for the purposes of this Agreement, the Holiday shall be the
D. Pay for Holidays Not Worked

1. An eligible employee who does not work on a Holiday listed in Subsection C above shall be paid eight times his average straight-time hourly rate of earnings (including applicable incentive earnings but excluding shift differentials and Sunday and overtime premiums) during the payroll period preceding the one in which the Holiday occurs, provided, however, that if an eligible employee who is scheduled to work on any such Holiday, fails to report or perform his scheduled or assigned work, he shall become ineligible to pay for the unworked Holiday unless he has failed to report or perform such work because of sickness or because of death in the immediate family (mother, father, including in-laws, children, brother, sister, husband, wife and grandparents) or because of similar good cause. When no work was performed in the payroll period preceding the Holiday pay period, the Holiday pay period shall be used. Holiday allowance shall be adjusted by an amount per hour to reflect any general wage change in effect at the time of such Holiday, but not in effect in the period used for calculating Holiday allowance.

2. As used in this Subsection, an eligible employee is one who (a) has completed 30 turns of work since his last hire; (b) performs work or is on vacation in the payroll period in which the Holiday occurs; or if he is laid off for such payroll period, performs work or is on vacation in both the payroll period preceding and the payroll period following the payroll period in which the Holiday occurs; and (c) works as scheduled.
Section 11 - Overtime-Holidays (Contd.)

or assigned both on his last scheduled workday prior to and on his first scheduled workday following the Holiday unless he has failed to so work because of sickness or because of death in the immediate family or because of similar good cause.

3. A part-time employee who is otherwise eligible shall receive pay for a Holiday not worked on the basis of his total hours worked in the pay period preceding the one in which the Holiday is observed, divided by 10, times his average straight-time hourly rate of earnings in such pay period (including applicable incentive earnings but excluding shift differentials and Sunday and overtime premiums).

4. When a Holiday occurs during an eligible employee's scheduled vacation, he shall be paid for the unworked Holiday in addition to his vacation pay without regard to the provisions of Subsection 11-D-2-(c).

5. The provisions of Section 11-D-4 shall apply to (1) an employee whose vacation has been scheduled prior to his layoff and who thereafter is laid off and takes his vacation as scheduled, or (2) an employee who is not at work at the time his vacation is scheduled, but who thereafter returns to work and then is absent from work during a Holiday week because of his scheduled vacation. An employee who is not at work at the time of scheduling his vacation and is not working at the time his vacation commences is not eligible for Holiday pay for a Holiday occurring during his vacation within the meaning of Section 11-D-2-(b) or Section 11-D-4.

6. Where a plant is paying on the basis of weekly pay periods, the pay period for purposes of eligibility under this Subsection
shall include the weekly pay period in which the Holiday occurs and the next preceding weekly pay period; and Holiday allowance shall be calculated on the basis of the two weekly pay periods next preceding the weekly pay period in which the Holiday occurs.

7. If an eligible employee performs work on a Holiday, but works less than 8 hours, he shall be entitled to the benefits of this Subsection to the extent that the number of hours worked by him on the Holiday is less than 8. This Subsection applies in addition to the provisions of Subsection E of Section 10, where applicable.

E. Nonduplication
1. Payment of overtime rates shall not be duplicated for the same hours worked, but the higher of the applicable rates shall be used. Hours compensated for at overtime rates shall not be counted further for any purpose in determining overtime liability under the same or any other provisions, provided, however, that a Holiday, whether worked or not, shall be counted for purposes of computing overtime liability under the provisions of Subsection C-1-c,-d, or -e above and hours worked on a Holiday shall be counted for purposes of computing overtime liability under the provisions of Subsection C-1-a above.

2. Except as above provided, hours paid for but not worked shall not be counted in determining overtime liability.

SECTION 12 — VACATIONS

A. Eligibility
1. To be eligible for a vacation in any calendar year during the term of this Agreement, the
employee must:

a. Have one year or more of continuous service; and

b. Not have been absent from work for six consecutive months or more in the preceding calendar year; except that in case of an employee who completes one year of continuous service in such calendar year, he shall not have been absent from work for six consecutive months or more during the 12 months following the date of his original employment; provided, that an employee with more than one year of continuous service who in any year shall be ineligible for a vacation by reason of the provisions of this paragraph as a result of an absence on account of layoff or illness shall receive one week’s vacation with pay in such year if he shall not have been absent from work for six consecutive months or more in the 12 consecutive calendar months next preceding such vacation. Any period of absence of an employee while on vacation pursuant to this Section or while absent due to a compensable disability in the year in which he incurred such disability, or while in military service in the year of his reinstatement to employment, shall be deducted in determining the length of a period of absence from work for the purposes of this Subsection A-1-b.

2. Continuous service shall date from: (a) the date of first employment at the plant (in the case of transferred employees from any plant listed in Appendix B the date shall be the date of first employment at the plant from which first transferred); or (b) subsequent date of employment following a break in continuous service, whichever of the above
two dates is the later. Such continuous service shall be calculated in the same manner as the calculation of continuous service set forth in Subsection C, Section 13 — Seniority, of this Agreement except that there shall be no accumulation of service in excess of the first two years of any continuous period of absence on account of layoff or physical disability (except, in the case of compensable disability, as provided in Subsection C-4, Section 13 — Seniority) in the calculation of service for vacation eligibility.

3. An employee, even though otherwise eligible under this Subsection A, forfeits the right to receive vacation benefits under this Section if he quits, retires, dies, or is discharged prior to January 1 of the vacation year.

B. Length of Vacation

1. An eligible employee who had attained the years of continuous service indicated in the following table in any calendar year during the continuation of this Agreement, beginning with the calendar year 2000, shall receive a vacation corresponding to such years of continuous service as shown in the following table:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Weeks of Vacation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 but less than 3</td>
<td>1</td>
</tr>
<tr>
<td>3 but less than 8</td>
<td>2</td>
</tr>
<tr>
<td>8 but less than 15</td>
<td>3</td>
</tr>
<tr>
<td>15 but less than 24</td>
<td>4</td>
</tr>
<tr>
<td>24 or more</td>
<td>5</td>
</tr>
</tbody>
</table>

2. A week of vacation shall consist of 7 consecutive days.
Scheduling of Vacations

1. General

a. On or promptly after October 1 of each year, each employee entitled or expected to become entitled to take vacation time off in the following year will be requested to specify in writing (not later than 30 days after the receipt of such request), on a form provided by the Company, the vacation period or periods he desires.

b. Notice will be given an employee at least 60 days in advance of the date his vacation period is scheduled to start, but in any event not later than January 1 of the year in which the vacation is to be taken.

c. 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 and to change such allotments is exclusively reserved to the Company in order to insure the orderly operation of the plants.

d. Any employee absent from work because of layoff, disability or leave of absence at the time employees are requested to specify the vacation periods they desire and who has not previously requested and been allotted a vacation period for the calendar year, may be notified by Management that a period is being allotted as his vacation period but that he has the right within 14 days to request some other vacation period. If any such employee notifies Management in writing, within 14 days after such notice is sent, that he desires some other vacation period, he shall be entitled to have

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his vacation scheduled in accordance with paragraph C-1-c.

e. If an employee is on layoff from the plant at any time before the beginning of his scheduled vacation hereunder, he may request to have his vacation start at any time during such layoff and if Management agrees to grant his request, it shall have the right to set the appropriate conditions under which it grants his request.

f. Where an employee transfers from one seniority unit to another subsequent to January 1 in any given year, he shall take his vacation in accordance with the schedule established in his old seniority unit except as orderly operations of his new seniority unit preclude it. He shall not be entitled to have any vacation schedule previously established in his new seniority unit changed because of his entry into that unit; should there be a conflict between the transferred employee and an employee in the unit, the employee in the unit shall retain his preference in competition with the transferred employee regardless of continuous service.

2. Vacations

a. Vacations may be scheduled throughout the calendar year.

b. The Company may, with the consent of the employee, pay him vacation allowance, in lieu of time off for vacation, for any weeks of vacation in excess of two weeks in any one calendar year.

c. Vacation shall be scheduled in a single period of consecutive weeks, provided,
however, that in the event the orderly operations of the plant require, vacations of two or more weeks may be scheduled in two periods, neither of which may be less than one week. With the consent of the employee, vacation may be scheduled in any number of periods, none of which may be less than one week.

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

e. Any employee otherwise entitled to vacation, pursuant to the vacation section of this Agreement in the calendar year in which he retires under the terms of any pension agreement between the parties which makes him eligible for a special initial pension amount, but who has not taken such vacation prior to the date of such retirement, shall not be required to take a vacation in that calendar year and shall not be entitled to vacation pay for that calendar year.

f. The calendar week containing New Year’s Day may be taken as a week of vacation for either the year preceding New Year’s Day or the year in which New Year’s Day falls, except when New Year’s Day falls on Sunday, provided
such vacation week has been scheduled as vacation in accordance with this Section. If the Company in its sole discretion schedules a shutdown of any operation during the calendar week containing Christmas Day, any employee who is not scheduled to work due to the shutdown in such week and who has completed his vacation entitlement for that year may elect to reschedule a week of vacation for which the employee has qualified and will be entitled in the following calendar year into the shutdown week; provided, however, that vacation pay for such vacation week, calculated as though the week were scheduled and taken in the next following year will be paid on the regular payday for the pay period in which the shutdown vacation falls; and provided further that no vacation pay for a vacation rescheduled hereunder will be paid to an employee who quits, retires, dies, or is discharged prior to January 1 of the year from which the shutdown vacation was rescheduled. In the application of this paragraph C-2-f, when the basis for calculation of an employee’s vacation pay for the following calendar year is not available, his vacation payment hereunder shall be made on the basis for calculation of his vacation pay in the current calendar year with appropriate adjustment to be made when the basis for the following calendar year becomes available.

D. Vacation Scheduling Complaints and Grievances

1. It is recognized that the parties locally have 12.20
the burden of resolving complaints relating to the scheduling of individual vacations pursuant to Subsection C of this Section. Should they be unable to do so informally, any such complaint must be referred to Step 1 of the complaint and grievance procedure provided in Section 6 of this Agreement not later than 15 days after notification of the scheduled vacation (or changed scheduled vacation) is given to the employee.

2. A complaint pertaining to the scheduling of a vacation must be handled in the complaint and grievance procedure so that the Step 2 meeting is held and a draft of minutes prepared not later than 80 days prior to the starting date of the scheduled vacation; the Step 3 meeting is held and the written answer is prepared not later than 70 days prior to the start of the scheduled vacation; and, if necessary, the decision in arbitration shall be issued by the earlier of: (a) 30 days prior to the scheduled starting date of the vacation, or (b) 30 days prior to the starting date requested by the employee, except that:

a. In the event the employee is seeking a vacation starting earlier than that scheduled by the Company, the time limits described above shall be applied to the starting date requested by the employee;

b. If the period between notice to the employee and the starting date of the vacation is less than 100 days, the time limits set out above shall be reduced by the number of days by which such period is less than 100 days; and

c. Failure to meet any of the time limits set forth above shall not affect the Company's
right to require the employee to take the
vacation as scheduled by the Company
unless such failure is the fault of the
Company.

3. In the resolution of complaints or grievances initiated under this Subsection, the Company's determination as to the scheduling required to conform to the requirements of operations shall be evaluated on the same basis as heretofore.

E. Vacation Pay

1. Each employee granted a vacation under this Section 12 will be paid at his average rate of earnings per hour for the prior calendar year. Average rate of earnings per hour (for the purposes of this Section) shall be computed by:

a. Totaling (1) pay received for all hours worked (total earnings excluding premium for overtime, holiday, Sunday, and shift differential), (2) vacation pay, including pay in lieu of vacation, and (3) pay for unworked holidays, and

b. Dividing such earnings by the total of (1) hours worked, (2) vacation hours paid for, including hours for which pay in lieu of vacation was paid, and (3) unworked holiday hours which were paid for.

Such average rate of earnings will be adjusted to reflect intervening general wage changes in accordance with practices in effect under the July 1, 1954 Agreement.

2. Hours of vacation pay for each vacation week shall be the average hours per week worked by the employee in the prior calendar year. Any weeks not having
32 hours of actual work shall be excluded from the calculation. Average hours per week worked shall be computed by:

a. Totaling the following hours in payroll weeks with 32 or more hours of actual work:
   (1) Hours worked
   (2) Hours paid for unworked holiday or vacation hours falling in such week
   (3) Hours paid for funeral leave
   (4) Hours paid for jury service
   (5) Hours paid for witness service
   (6) Hours excused from scheduled work and not paid for because of Union business, and

b. Dividing such hours by the number of such weeks in which 32 or more hours were worked.

The minimum number of hours paid for each week of vacation shall be 40 and the maximum number of hours paid for each week of vacation shall be 48.

3. Any employee who did not work in the prior year shall have his vacation pay computed on the basis of his last calculated vacation rate and hours, adjusted in accordance with the last sentence of paragraph 1 above.

4. The definitions contained in this Section 12-E are designed for and shall be used exclusively for the purpose of calculating vacation pay.

5. Vacation pay will be paid prior to the start of an employee’s scheduled vacation provided he submits a written request two weeks prior to the start of such vacation.
Section 13 — Seniority

F. Vacation Allowance

1. The Union and the Company agree that their mutual objective is to afford maximum opportunity to the employees to obtain their vacations and to attain maximum production. All employees eligible for vacation shall be granted their vacation from work except as provided in paragraph C-2-b.

2. The vacation allowance due an employee shall be computed as provided in Subsection E above.

3. Any payment of vacation allowance shall not require the Company to reschedule the vacation of any other employee.

G. Part-Time Employees

1. A part-time employee is an employee who regularly, for his own convenience, is not available for full-time employment.

2. The 40-hours-per-week minimum referred to in Subsections E and F above shall not apply to part-time employees.

H. Vacation Bonus

Effective August 1, 2001, a vacation bonus of two hundred fifty dollars ($250.00) per week will be paid to employees for each week of vacation taken in the ten (10) consecutive week period beginning with the first full week following the week containing New Year’s Day.

SECTION 13 — SENIORITY

A. Seniority Status of Employees

The parties recognize that promotional opportunity and job security in event of promotions, decrease of forces, and recalls after layoffs should increase in proportion to length of continuous service, and that in the administration
Section 13 – Seniority (Contd.)

of this Section the intent will be that wherever practicable full consideration shall be given continuous service in such cases.

Except where a local seniority agreement provides for some greater measure of service length than plant continuous service, plant continuous service (hereinafter plant service) shall be used for all purposes in which a measure of continuous service is utilized.

In recognition, however, of the responsibility of Management for the efficient operation of the works, it is understood and agreed that in all cases of:

1. Promotion (except promotions to positions excluded under the definition of “employees” in Section 2-A — Coverage) the following factors as listed below shall be considered; however, only where factors “a” and “b” are relatively equal shall length of continuous service be the determining factor:
   a. Ability to perform the work,
   b. Physical fitness,
   c. Continuous service.

2. Decrease in forces or recalls after layoffs the following factors as listed below shall be considered; however, only where both factors “a” and “b” are relatively equal shall continuous service be the determining factor:
   a. Ability to perform the work,
   b. Physical fitness,
   c. Continuous service.

Nothing in this Subsection A shall prevent plant management and the grievance committee from mutually agreeing to fill an equal or lower job in a promotional sequence with a senior employee. Nor shall anything in this Subsection A prevent plant management and
the grievance committee from executing an agreement in writing to provide an opportunity to any employee displaced in the course of a reduction of forces to exercise his seniority to the extent appropriate to obtain a job paying higher earnings; provided, such employee is otherwise qualified with respect to relative ability to perform the work and relative physical fitness as provided above. Plant management and the grievance committee may mutually agree to provide training for employees disabled in the plant and to assign them to vacancies for which they are qualified on the basis of such seniority arrangements as they may determine.

B. Determination of Seniority Units

Seniority shall be applied in the seniority units, which may be an entire plant or any subdivision thereof, as established or agreed upon. A job may be in one seniority unit for one purpose, such as promotions, and may be in a different seniority unit for another purpose, such as layoffs.

The existing seniority units and departments to which the seniority factors shall be applied and the rules for application of the seniority factors covered by existing local agreements shall remain in effect unless or until modified by local written agreement signed by Management and the chairman and secretary of the grievance committee of the local union. Local seniority agreements in effect as of the date of this Agreement shall be consistent with Consent Decree I referred to in Appendix R.

Hereafter all future local seniority agreements shall provide that: all promotions (including stepups), decreases in forces (including demotions and layoffs), recalls after layoff and other practices affected by seniority shall be in
accordance with plant service provided that, (a) demotions, layoffs and other reductions in force shall be made in descending job sequence order starting with the highest affected job and with the employee on such job having the least length of plant continuous service, and (b) the sequence on a recall shall be made in the reverse order so that the same employees return to jobs in the same positions relative to one another that existed prior to the force reductions. Future local agreements may provide for a procedure varying from the foregoing upon joint approval by designated officials of the Company and the International Union. Hereafter local seniority agreements, including agreements covering departments or units thereof, shall be signed on behalf of the Union by the chairman and secretary of the grievance committee of the local union, and shall be posted in the plant.

In any case in which local agreement cannot be consummated as to the seniority units in which a new job or new jobs, including those in new, merged or transferred operations, are to be placed, or the rules for application of the seniority factors to such jobs, (including the appropriate progression and regression structure), Management shall include such job or jobs in the most appropriate seniority unit or, if more appropriate, establish a new seniority unit, and establish rules for application of the seniority factors to such jobs (including its determination of the appropriate progression and regression structure), subject to the complaint and grievance procedure of this Agreement.

C. Calculation of Continuous Service

Continuous service shall be calculated from the date of first employment or reemployment following a break in continuous service in ac-
Section 13 - Seniority (Contd.)

cordance with the following provisions; pro-
vided, however, that the effective date of em-
ployment prior to the date of this Agreement
shall be the date of first employment or reem-
ployment after any event which constituted a
break in service under the practices in effect at
the time the break occurred:

1. There shall be no deduction for any time 13.12
lost which does not constitute a break in
continuous service except as provided in
paragraph 3 below.

2. Continuous service shall be broken in the 13.13
manner set forth in paragraph 3 below, and
by:
   a. Quit.
   b. Discharge, provided that if the employee
      is rehired within 6 months the break in
      continuous service shall be removed.
   c. Termination in accordance with Section
      16 — Severance Allowance.
   d. Absence in excess of two years, except as
      provided in paragraphs 3 and 4 below.

3. If an employee is absent because of layoff or 13.14
   physical disability in excess of two years,
   he shall continue to accumulate continuous
   service during such absence for an addi-
tional period equal to (i) three years, or (ii)
   the excess, if any, of his length of continu-
   ous service at commencement of such ab-
sence over two years, whichever is less. Any
   accumulation in excess of two years during
   such absence shall be counted, however,
   only for purposes of this Section 13, includ-
ing local agreements thereunder, and shall
   not be counted for any other purpose under
   this or any other agreement between the
   Company and the International Union. In
   order to avoid a break in service within the
   above period after an absence in excess of
   two years, an employee absent because of
layoff or physical disability must report for work promptly upon termination of either cause, provided, in the case of layoff, the Company has mailed a recall notice to the last address furnished to the Company by the employee.

4. Absence due to a compensable disability incurred during course of employment shall not break continuous service, provided such individual is returned to work within 30 days after final payment of statutory compensation for such disability or after the end of the period used in calculating a lump-sum payment. If the individual is not returned to work within such 30 day period solely because his seniority does not permit him to hold a position in his plant and his plant has not been permanently shut down, the individual will then be placed on layoff status and any break in continuous service will thereafter be determined in accordance with paragraph 3 above.

5. An employee accruing pension continuous service as of August 1, 1999, who incurred a break in pension and basic labor agreement continuous service due to layoff during the period January 1, 1980 through February 1, 1991 and who was recalled or rehired prior to August 1, 1999 shall be credited with one additional year of basic labor agreement continuous service except as he was recalled within three years of the last day worked in which case he will be credited with the lesser of (a) one year of basic labor agreement continuous service or (b) a period of basic labor agreement continuous service equal to the period
between the date that he sustained a break in basic labor agreement continuous service and the date he was recalled.

D. Probationary Employees

New employees and those hired after a break in continuity of service will be regarded as probationary employees for the first five hundred and twenty (520) hours of actual work and will receive no continuous service credit during such period. For all such employees hired after August 1, 1999, the probationary period will be one thousand (1000) hours. Probationary employees may initiate complaints under this Agreement but may be laid off or discharged as exclusively determined by Management; provided that this will not be used for purposes of discrimination because of race, color, religious creed, national origin, sex, handicap, Vietnam-era military service or age, or because of membership in the Union. It is also the continuing policy of the Company and the Union that all employees shall be provided a workplace free of sexual harassment. The Company and the Union agree to cooperate in dealing with the problem of sexual harassment where it occurs. The Company, the Union and the employees recognize their obligations and/or rights under existing federal, state and local laws with respect to civil rights discrimination matters. Probationary employees continued in the service of the Company subsequent to the first five hundred and twenty (520) [or one thousand (1000)] hours of actual work shall receive full continuous service credit from date of original hiring. Where a probationary employee is relieved from work because of lack of work and his employment status terminated in connec-
tion therewith, and he is subsequently rehired at the same works or plant within one year from the date of such termination, the hours of actual work accumulated by such probationary employee during his first employment shall be added to the hours of actual work accumulated during his second employment in determining when the employee has completed five hundred and twenty (520) [or one thousand (1000)] hours of actual work; provided, however, that should such an employee complete five hundred and twenty (520) [or one thousand (1000)] hours of actual work in accordance with this sentence, his continuous service date will be the date of hire of his second hiring. If, however, such an employee is rehired within two weeks of his last termination from employment at the same works or plant, his continuous service date will be the date of hire for his prior employment.

E. Interplant and Intraplant Transfers

It is recognized that conflicting seniority claims among employees may arise when plant or department facilities are created, expanded, added, merged, or discontinued, involving the possible transfer of employees. It is agreed that such claims are matters for which adjustment shall be sought between Management and the appropriate grievance representatives or committees.

In the event the above procedure does not result in agreement, the International Union and the Company may work out such agreements as they deem appropriate irrespective of existing seniority agreements or may submit the matter to arbitration under such conditions, procedures, guides and stipulations as to which they may mutually agree.
F. Temporary Vacancies

When it is necessary to fill a temporary vacancy known to be of three or more weeks duration, such vacancy shall, to the greatest degree consistent with efficiency of the operation and the safety of employees, be filled on the basis of the seniority unit and the seniority used for promotional purposes, and shall be so filled no later than on the second weekly schedule following the date when the duration of the vacancy, as aforesaid, becomes known to Management, provided however, that for purposes of this provision the parties may hereafter agree locally upon a period other than the three weeks specified above. However, in case of a permanent vacancy on a job, the assignment of a junior employee to a temporary vacancy on such job shall not be used as a presumption of greater ability in favor of such junior employee if such temporary vacancy was not made available to the senior employee. Existing local agreements or practices applicable to temporary vacancies of less than three weeks duration shall be retained, except as they may hereafter be modified by local agreement.

G. Decrease of Force

In the event a decrease of work, other than decreases which may occur from day to day, results in the reduction to an average of 32 hours per week for the employees in the seniority unit and a further decrease of work appears imminent, which in the Company's judgment may continue for an extended period and will necessitate a decrease of force or a reduction in hours worked for such employees below an average of 32 hours per week, the management of the plant and the grievance committee will confer in an attempt to agree as to whether a decrease of force shall be effected in accordance with this Section or the available hours of work shall be distributed as equally between such
employees as is practicable with due regard for the particular skills and abilities required to perform the available work. In the event of disagreement, Management shall not divide the work on a basis of less than 32 hours per week.

H. Posting of Job Openings

1. When a permanent vacancy develops, or is expected to develop (other than a temporary vacancy) in the promotional line in any seniority unit, Management shall, to the greatest degree practicable, post notice of such vacancy or expected vacancy, or job assignments where such is the present practice, for such period of time and in such manner as may be appropriate at each plant.

2. Employees in the seniority unit who wish to apply for the vacancy or expected vacancy may do so in writing in accordance with rules developed by management at each plant.

3. a. A permanent vacancy on an entry level job in department-wide competition shall be brought to the notice of all employees within the department in accordance with administrative rules presently in effect or as may be mutually changed by plant management and the grievance committee. Where necessary such notice shall be posted and, in any event, the rules developed shall insure complete and adequate notice to all affected employees of (i) the vacancies and, subsequently, (ii) the employees selected, including their plant continuous service dates.
b. A permanent vacancy on an entry level job in plant-wide competition shall be posted on a plant-wide basis in accordance with administrative rules presently in effect or as may be mutually changed by plant management and the grievance committee, as to location of posting, duration of posting period, notice of selection, and method or procedure for contesting a selection. Such rules shall require that (i) the notice of vacancy posted shall indicate the department, job title, job class, estimated number of employees needed, date of posting, and the time and location where bids can be filed for the vacancy involved, (ii) the bids shall be in writing, and (iii) the subsequent notice of the prevailing bidders shall indicate their plant continuous service dates.

c. A permanent vacancy may be filled by temporary assignments in accordance with applicable seniority agreements until such time as the prevailing bidder is selected and assigned.

4. Management shall, if in its judgment there are applicants qualified for the vacancy or expected vacancy, fill same from among such applicants in accordance with the provisions of Subsections A and B of this Section.

5. The term "entry level job" refers to the job or jobs in a seniority unit or line of promotion in which permanent vacancies remain after all employees with incumbency status in such unit or line have exercised their promotional and other seniority rights.
I. Seniority Status of Grievance Committeemen and Local Union Officers

When a decrease in force continues to the point at which a grievance committeeman would otherwise be laid off, he shall be retained in active employment (for such hours per week as may be scheduled for an employee on the job to which he is assigned) for the purpose of continuity in the administration of this Agreement in the interest of employees and the Company so long as a work force is at work in the plant area which he represents on the grievance committee. When a grievance committeeman is entitled to a job in a pool in accordance with the provisions of Subsection 13-L or when he is retained in active employment pursuant to the preceding sentence, he shall be assigned to a job in the plant area which he represents on the grievance committee. In any event, no grievance committeeman shall be retained in employment under this paragraph unless work which he can perform is available in the plant area which he represents on the grievance committee.

The principles set forth in the preceding paragraph shall apply on a plant-wide basis to employees who hold any of the following offices in the local union or unions in which the employees of the plant are members: president; vice president; recording secretary; financial secretary; treasurer and chairman of the grievance committee. When there are not sufficient jobs available to provide employment in accordance with both this paragraph and the preceding paragraph, priority shall be given to employees covered by the preceding paragraph.

Notwithstanding the provisions of any local seniority agreement, retention at work in accordance with this Section 13-I or its
counterpart in prior agreements shall not enable any such employee to claim relative seniority status in excess of that which he otherwise would have had prior to such retention.

J. Leaves of Absence for Employees Who Accept Positions with the International or Local Unions

Leaves of absence for the purpose of accepting positions with the International or local Unions shall be available to a reasonable number of employees. Adequate notice of intent to apply for leave shall be afforded local plant management to enable proper provision to be made to fill the job to be vacated.

Leaves of absence shall be for a period not in excess of one year and may be renewed for a further period of one year.

Continuous service shall not be broken by the leave of absence but will continue to accrue.

K. Seniority Lists and Pool Dates

1. The Company shall make available for review by the local union concerned lists showing the relative continuous service of each employee in each seniority unit. Such lists shall be revised by the Company from time to time, as necessary, to keep them reasonably up-to-date. The seniority rights of individual employees shall in no way be prejudiced by errors, inaccuracies, or omissions in such lists. Upon request by a grievance committee man, a copy of the list or lists applicable to the plant area which he represents shall be given to him, but not more frequently than once each six months; and he shall, as promptly as possible, notify the Company of any claimed error, inaccuracy, or omission in such list.

2. The Company shall, in any plant where there are employees with two or more years
of plant continuous service on layoff, post no later than noon of each Monday on the bulletin board maintained for that purpose, the plant continuous service date of the employee in each such pool with the least continuous service necessary to hold a job in such pool. Local plant arrangements also may be made whereby, upon request to a foreman, a grievance committeeman will be informed as to any employee under such foreman's supervision who has been retained on a pool job in the plant area that the grievance committeeman represents, although such employee has a more recent continuous service date than posted for such pool.

L. Seniority Pools

1. Purpose

The purpose of this Subsection L is to increase intraplant job security for longer-service employees. The application of seniority provisions other than those established under this Subsection L to jobs in a seniority unit shall not be affected by the inclusion of such jobs in the pool except to the extent necessary to comply with the provisions of this Subsection L.

2. Establishment of Seniority Pools

It is the objective of the parties that there shall be at each plant the minimum number of seniority pools as described below consistent with the efficient operation of the plant. As a minimum, the agreed-upon area covering a single seniority pool in each case shall be as broad as practicable and in no event shall be less than a major operating unit such as Blast Furnace, Coke Plant, Open Hearth, etc.; however, rolling facilities need not necessarily be considered as
one unit but shall nevertheless be as broad as practicable.

Each seniority pool within an agreed-upon area as established or revised pursuant to the above objectives shall be regarded as being a single seniority pool for the purposes of layoff and recall. Each such pool shall be made up of all jobs in Job Classes 1, 2, and 3, and such jobs in Job Class 4 or higher as shall be agreed upon by the local parties. The number of jobs in Job Class 4 or higher to be included in the pool shall be no less than the total number of Job Class 4 jobs in the agreed-upon area. The job opportunities provided by the jobs in Job Class 4 or higher included in the pool as of the pay period including the 90th day after the effective date of this Agreement shall be approximately equivalent to the job opportunities provided by all Job Class 4 jobs in the agreed-upon area as of such date. If the particular job required to be included in the pool by the foregoing provisions is inappropriate for inclusion in the pool, the local parties may agree to remove it from the pool provided that another suitable job (or jobs) is concurrently added to the pool which does not reduce significantly the number of job opportunities provided by the job which was removed from the pool. The jobs in the pool shall also be included in appropriate seniority units for the application of seniority provisions other than those included in this Subsection L.

3. Operation of a Seniority Pool
An employee who, at the time he is or otherwise would be laid off, has 2 or more years of plant continuous service, shall be assigned to a job for which he is qualified in
his seniority pool, if a job in his seniority pool is held by an employee having less plant continuous service; provided, however, that Management shall not be required to assign him to any such job before the expiration of 30 days (or such shorter period as may have been heretofore agreed upon by the local parties) after the date of his layoff. In filling other than temporary vacancies in jobs in any seniority pool, Management will recall employees laid off from the seniority units covered by the pool in the order of their plant continuous service; however, the employee must be qualified to perform the job. Where practicable, however, Management will make a reasonable effort to assign, on the basis of plant continuous service, an employee laid off from his seniority unit to a pool job he prefers which is not held by an employee of that unit. However, Management shall have the right, to the extent necessary, to designate the specific job in any pool to which an employee shall be assigned (and to change such assignments) in order to provide jobs for longer-service employees who would otherwise be unable to qualify for an available job in the pool. In order to maintain efficiency, Management need not assign laid-off employees to a job in any operating or service unit where such assignment would result in less than the required minimum of experienced employees in such unit. The local parties may by agreement determine whether there are circumstances under which an employee need not accept a pool job.

4. Operation of Multiple Seniority Pools
In a plant in which there is established more than one agreed-upon area as defined
in paragraph 2 above, the following shall apply:

In the event of a permanent shutdown of a facility as defined in Section 16 — Severance Allowance or layoff of one or more employees for a period which extends for six months or more or which the parties believe will extend for such a period, an employee affected who has two or more years of plant continuous service at time of layoff shall be given the right to a job in any seniority pool in the plant if a job in that pool is held by an employee with less plant service provided he is qualified to perform the job. Such assignments to jobs shall be subject to the same rules as apply in Subsection L-3 above. An employee who has been assigned to a job in a different seniority pool under this provision and who has been subsequently laid off from the pool shall have recall rights to that pool until he is recalled to a job in the agreed-upon area from which he was originally laid off; provided, however, that such recall rights shall be limited to his own pool and the last pool from which he was laid off; and provided, further, that the Company shall not be required under this paragraph to displace a shorter service employee with such laid-off employee before the expiration of 30 days after the date of any such layoff.

5. Retention Rights
An employee assigned under any pool arrangement to a seniority unit for purposes of retention shall have no seniority rights for promotional purposes in that unit, except in competition with an employee in such unit who has been employed less than 31 days prior to the retained employee's assignment in that seniority unit.
6. Miscellaneous

a. Employees shall be recalled directly to jobs in their seniority units or promotional sequences above the seniority pool, if that is in accord with applicable seniority practices or agreements.

b. If the Company recalls the wrong employee from a layoff to a job in a pool, it will not be liable for any retroactive pay to the employee who should have been recalled, with respect to any period prior to 4 days or the beginning of the payroll week, whichever is later, after receipt by the Company of specific written notice by him (on a form to be provided therefor) of its alleged error.

c. If the local parties deem it helpful in facilitating the assignment of employees in the pool, they are empowered to agree in writing that schedule changes arising from movements of employees into, within or out of the seniority pools in accordance with the provisions of this Subsection L shall not be deemed a violation of the provisions relating to schedule changes or provide a basis for a claim for sixth or seventh day overtime compensation or reporting allowance.

M. Interplant Job Opportunities

1. An employee of a steel plant continuously on layoff for sixty (60) days or more who had two or more years of Company continuous service on the date of his layoff and who is not eligible for an immediate pension shall be given priority over other applicants (new hires, including probationary employees) for job vacancies (other than temporary vacancies) at other steel plants of the Company located within a limited agreed-upon
Section 13 – Seniority (Contd.)

d. Employees who thus apply may there-

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after be given priority in the filling of job
vacancies (other than temporary vacan-
cies) over new hires, and after they have
been continuously on layoff for sixty (60)
days and have had an application on file
for thirty (30) days shall be given such
priority in the order of their Company'
continuous service (the earliest date of
birth to control where such service is
identical), in each case provided such
employees have the necessary qualifica-
tions to advance in the promotional
sequence involved. In determining the
necessary qualifications to advance in
the promotional sequence involved the
normal experience acquired by employees
in such sequence shall be taken in consid-
eration. It is recognized that there are circumstances under which it is impractical to afford such priority to an applicant because of the imminence of his recall to his home plant. In such a case, the Company shall not incur liability for failure to give priority to such applicant, if the period does not exceed two weeks or such longer period as may be agreed to by the employee. An employee who is otherwise eligible for employment shall not be required to meet higher medical qualifications at another plant than would have been required of him upon recall at his home plant.

e. An employee laid off from one plant who is offered and who accepts a job at another plant in accordance with the foregoing provisions will have the same obligation to report for work there as though he were a laid-off employee at that plant. During his employment at that plant, he will be subject to all the rules and conditions of employment in effect at that plant. He will be considered as a new employee at that plant for all purposes except that:

(1) The provisions of Subsection 13-D — Probationary Employees will not be applicable, and his plant continuous service for determining his seniority for purposes of promotion, decrease in forces, or recalls after layoff (but not for purposes of applying Sections 13-L-3 and 13-L-4) at that plant shall be no less than his continuous employment at that plant plus sixty (60) days.

(2) For purposes of applying Sections 13-L-3 and 13-L-4, his plant contin-
uous service shall be determined as follows: (i) an employee accumulating continuous service as of March 1, 1983 shall have plant continuous service from March 1, 1983 or sixty (60) days prior to his first employment at that plant, whichever is earlier. As among transferees, who have a March 1, 1983 plant continuous service date pursuant to this Subparagraph, competition shall be resolved on the basis of Company continuous service date; (ii) an employee hired or rehired on or after March 1, 1983 shall have plant continuous service as of the date of his employment at his home plant.

At any time during the first thirty (30) days of his employment at that plant he may elect to terminate such employment without affecting his continuous service at his home plant provided he gives reasonable notice to plant management and provided further that such an election will affect his right to further consideration under this Subsection M in the same manner as if he had rejected a job offered to him. If he is laid off from that plant his continuous service at that plant will be cancelled when he is recalled to his home plant, subject to the provisions of Subsection M-1-g below, or when he is employed at any other plant of the Company. If his home plant is closed permanently, his continuous service at that plant will be cancelled and the plant to which he was assigned will become his home plant, subject to the election provided in the following sentence. If his home plant is closed permanently or if his home plant department or substantial portion thereof is permanently discontinued, and the employee has less

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than two years of continuous service for layoff purposes at the new plant and meets the eligibility requirements for severance allowance, he may elect within ninety (90) days of such closing or discontinuance to be assigned back to his former home plant for the purpose of receiving severance pay and thus terminating his continuous service with the Company for all purposes under this Agreement.

f. If an employee rejects a job offered to him under these provisions, or if he does not respond within five (5) days of the time the offer is made, directed to his last place of residence as shown on the written request referred to in paragraph c. above, his name shall be removed from those eligible for priority hereunder, and he may thereafter apply, pursuant to Subsection M-1-c, for reinstatement; provided, however, that he shall be entitled to only one such reinstatement during the period of one year after such unaccepted offer unless he is recalled to active employment and again laid off during the one-year period after such unaccepted offer.

g. An employee who accepts employment at another plant under these provisions will continue to accrue continuous service for seniority purposes at his home plant in accordance with the applicable seniority rules. If he is recalled to work at his home plant:

(1) He shall have an option to stay or return unless Management directs him to return, in which event his continuous service will continue to accrue for seniority purposes at the other plant until the expiration of
one of the following applicable periods if he has not returned to employment at the other plant by that time.

The periods are as follows:

If recalled to a Job Class 10 or below job at his home plant, six (6) months;

If recalled to a Job Class 11 through 18 job at his home plant, one (1) year;

If recalled to a Job Class 19 or above job at his home plant, one and one-half (1-1/2) years;

If promoted to a higher job classification after his recall to his home plant, any longer period of seniority accrual at the other plant as determined by one of the periods above shall apply as of the date of his initial recall to the home plant;

at the expiration of which period it will be cancelled if he has not returned to employment at the other plant. At any time within the period specified above, management at the home plant may give the employee the option of returning to the other plant. If the employee elects to return to the other plant, his continuous service at his home plant shall be cancelled.

(2) If Management makes his return to his home plant optional and he elects to return, his continuous service for seniority purposes at the other plant will be cancelled.

(3) If Management makes his return to his home plant optional and he elects to remain at the other plant, his
continuous service for seniority purposes at his home plant will be cancelled.

h. When an employee is recalled to his home plant from another plant, and the Management at such other plant has sound reason for not immediately releasing such employee, the employee may be retained at such other plant without penalty for the calendar week following the calendar week in which such recall occurs. If the employee is retained beyond this period for the convenience of Management at such other plant, he shall receive in addition to pay for the job performed, such special allowance as may be required to equal the earnings that otherwise would have been realized by the employee on the job to which he was recalled by his home plant.

2. Priority in the filling of job vacancies (other than the temporary vacancies) in steel plants in an area covering more than one region and covered by an agreement between the Company and the International Union, shall be afforded employees in such plants in accordance with the following:

a. Such priority shall be afforded to employees who have applied for employment in the region from which laid off and Management has failed to provide employment and:

(1) Who have 2 or more years of Company continuous service at the date of shutdown and who (a) have elected not later than the end of thirty (30) days from the date of shutdown to continue on layoff and (b) cannot qualify for immediate pension and (c) have no employment and no re-
call rights to a job in the plant or in a regional plant in which they have been employed as a result of a permanent shutdown of a plant, department, or subdivision thereof and (d) have applied for employment hereunder, or

(2) Who have 2 or more years of Company continuous service at the time of layoff from their plant and (a) in the opinion of the Management are not likely to be returned to active employment in their plant or in a regional plant within one (1) year from the date of layoff and (b) cannot qualify for immediate pension and (c) within thirty (30) days after being advised by the Management of such option apply for employment hereunder.

b. The plants within each such agreed interregional area are set forth in Appendix B of this Agreement.

c. The job vacancies for which employees shall be eligible under these provisions shall be only those that are not filled from the particular plant or the particular region in accordance with this Section 13.

d. In filling such job vacancies hereunder, the provisions of subparagraphs c, d, e, f, and g of Subsection M-1 shall be applicable except that the following additional provisions shall be applicable to an employee assigned to another plant under the provisions of this Subsection M-2:

(1) He may, at any time during the first six months of his employment at that plant (or during a period of layoff in the first year of such employment),
elect to terminate such employment without breaking his continuous service at his home plant, provided he gives two weeks notice to plant management. If he does so elect to return to his home plant, he will not be eligible for a relocation allowance for such return.

(2) When he has completed one year of employment at that plant, his continuous service at his home plant will be cancelled and the plant to which he was assigned will then become his home plant.

e. An employee who is assigned a job under this Subsection M-2 or Subsection M-1 in a plant at least 50 miles from the plant from which he was laid off and who changes his permanent residence as a result thereof will receive a relocation allowance promptly after the commencement of his employment at the plant to which he is relocated, on the following terms:

(1) He must make written request for such allowance in accordance with the procedure established by the Company.

(2) The amount of the relocation allowance will be determined in accordance with the following:

<table>
<thead>
<tr>
<th>Miles Between Plant Locations</th>
<th>Single Employees</th>
<th>Married Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 - 99</td>
<td>$240</td>
<td>$720</td>
</tr>
<tr>
<td>100 - 299</td>
<td>300</td>
<td>780</td>
</tr>
<tr>
<td>300 - 499</td>
<td>360</td>
<td>900</td>
</tr>
<tr>
<td>500 - 999</td>
<td>420</td>
<td>1,140</td>
</tr>
<tr>
<td>1,000 - 1,999</td>
<td>540</td>
<td>1,440</td>
</tr>
<tr>
<td>2,000 or more</td>
<td>660</td>
<td>1,740</td>
</tr>
</tbody>
</table>

(3) The amount of any such relocation allowance will be reduced by the
amount of any relocation allowance or its equivalent to which the employee may be entitled under any present or future federal or state legislation; and the amount of such allowance shall be deducted from monies owed by the Company in the form of pay, vacation benefits, SUB benefits, pensions or other benefits, if the employee quits, except as it shall be agreed locally that the employee had proper cause, or is discharged for cause any time during the 12 months following the start of such new job.

(4) Only one relocation allowance will be paid to the members of a family living in the same residence.

3. a. The operation of this Subsection M will be subject to periodic review by a Joint Committee, consisting of equal numbers of representatives of both parties (not more than 3 each), who shall meet periodically to review the operation of this Subsection and to consider and resolve any problems that may arise from its operation. The Company shall supply to such committee quarterly reports on the number and location of IJOP applications and the number and location of IJOP placements as well as such other pertinent information relating to the operation of this Subsection which is requested by the committee, including reasonably available information on the timing of such applications and placements. The committee shall (1) review the placement of plants in the various regions currently set forth in Appendix B of this Agreement with a view toward reducing the number of regions, and (2) review the day-to-day administration of
this Subsection with a view toward increasing employee awareness of job opportunities. The committee shall study the operation of this Subsection to recommend to the Company and Union Bargaining Co-Chairmen whether changes in this Subsection would improve the utilization of the IJOP system for enhancement of employment opportunities and discourage misuse of the system for other purposes.

b. The following procedure shall apply only to complaints or grievances relating to the application of this Subsection M:

(1) Any employee who believes that he has a justifiable request or complaint shall promptly refer the matter to a Staff Representative designated by the Union for this purpose, who in turn will promptly arrange to discuss the request or complaint with the Company designated representative.

(2) If not satisfactorily resolved, the Union's designated Staff Representative may refer the matter to the Company's Third Step representative certified to the Union by the Company to handle Third Step grievances for the home plant of the complaining employee, or, if appropriate, the Third Step representative for another plant involved in the complaint. Such referral shall be made in writing within 10 days of completion of the final discussion pursuant to (1) and shall set forth the Union's statement of fact, the action of the Company which the Union challenges, the clause or clauses of this Subsection M which are alleged to be vio-
lated, the relief sought, and the Union's position. The appealed grievance shall be handled in the regular complaint and grievance procedure established under this Agreement starting at the Third Step.

4. In order to facilitate the operation of the program provided for in this Subsection M, it is agreed that (a) back pay shall not be awarded in any grievance based on those paragraphs unless the arbitrator finds that there has been willful and deliberate non-compliance therewith, and (b) the Company and the International Union may, upon recommendation of the committee provided for in paragraph 3 above, amend this Subsection M at any time during the period of this Agreement and that such amendment shall be effective with respect to any pending complaint or grievance.

5. The Company will not be liable for any retroactive pay with respect to any period prior to 4 days or the beginning of the payroll week, whichever is later, after receipt by the Company of specific written notice (on a form to be provided therefor) of its alleged error.

6. By agreement between the Company and the International Union, the provisions of this Subsection M may at any time be suspended and employees who are working at other plants under these provisions may be laid off, if it becomes necessary to do so to provide employment for long-service employees who are permanently displaced or for other valid reasons.

N. Manning of New Facilities

1. In the Manning of jobs on new facilities in existing plants, the jobs shall be filled by qualified employees who apply for such jobs
in the order of length of plant continuous service from the following categories in the following order but subject to the other provisions of this Subsection N:

a. Employees displaced from any facility being replaced in the plant by the new facilities.

b. Employees being displaced as the result of the installation of the new facilities.

c. Employees presently employed on like facilities in the plant.

d. Employees presently on layoff from like facilities in the plant.

e. Employees in the plant with two or more years of plant continuous service, provided, that if sufficient qualified applicants from this source are not available, Management shall fill the remaining vacancies as it deems appropriate.

2. The local parties shall meet to seek agreement on the standards to be used to determine the qualifications entitling employees otherwise eligible to be assigned to the jobs in question. It shall be the objective of such meetings to reach agreements on manning which reflect the parties' mutual intent to facilitate efficient manning and preserve job security for longer service employees.

3. Should the local parties fail to agree on the standards for determining qualifications, an applicant otherwise eligible shall have:

a. The necessary qualifications for performing the job.

b. The ability to absorb such training for the job as is to be offered and is necessary to enable the employee to perform the job satisfactorily.

c. The necessary qualifications to progress
in the promotional sequence involved to the next higher job to the extent that Management needs employees for such progression. In determining the necessary qualifications to advance in the promotional sequence involved, the normal experience acquired by employees in such sequence shall be taken into consideration. However, it is recognized that Management can require that a sufficient number of occupants of each job in a promotional sequence be available to assure an adequate number of qualified replacements for the next higher job.

4. An applicant who is disqualified under 13.83 Subsection N-3 above shall have the right to apply for another job for which he believes he can qualify.

5. When new facilities are to be manned pursuant to this Subsection 13-N, the local parties shall meet and may establish, in appropriate circumstances, rules for allowing an employee not placed initially, a second opportunity to elect transfer to the new facility consistent with its efficient operation. In establishing such rules, the local parties shall consider matters such as:
   a. The job level in the promotional sequence in the new unit up to which an employee will be allowed a second opportunity to elect transfer.
   b. The date on which the second opportunity must be exercised following start-up of the new facility, but not more than three years thereafter. (In determining such date, the parties shall give due consideration to possible Management abandonment of the old facility or an extended period of its non-use.)

In lieu of or in addition to the foregoing, the 13.85
local parties may develop a method for filling permanent vacancies in the new facility between the time of initial manning and the final election to transfer.

6. Should Management deem it necessary to assign an employee to his regular job on the old facility in order to continue its efficient operation, it may do so on the basis of establishing such employee on the new job and temporarily assigning him to his former job until a suitable replacement can be trained for the job or its performance is no longer required. In such event, such employee shall be entitled to earnings not less than what he would have made had he been working on the job on which he has been established.

7. Where new facilities replace facilities of more than one plant in the same general locality, appropriate representatives of the Company and the International Union shall meet in conjunction with the local parties for the purpose of seeking an agreement on manning consistent with the parties' mutual intent to facilitate efficient manning and preserve job security for longer service employees. In such situations Company service may be considered in addition to plant service.

O. Permanent Vacancies and Transfer Rights

Permanent transfers shall not be made through the operation of the pool procedures. An employee who is assigned under a pool arrangement to a unit for purposes of retention shall not be able to effectuate a permanent transfer to that unit by refusing a recall to his home unit. (However, nothing contained herein shall preclude such an employee from effectuating a permanent transfer by bidding for a
permanent vacancy in such a unit or any other unit. Moreover, nothing contained herein shall affect the rights of such employees under a permanent shutdown situation.) In addition, such a retained employee shall have only such promotional rights in the unit to which he is assigned for retention purposes as are provided for by Subsection 13-L-5.

1. Subject to the exception provided by paragraph 3 below for entry into trades and crafts, a three-step procedure for filling permanent vacancies shall be retained as presently agreed to. A permanent vacancy shall be filled from within the first step of competition (whether it be unit, line of progression, etc.). Each succeeding vacancy shall be filled in the same manner, and the resulting vacancy in the entry level job shall thereafter be filled on a departmental basis (the second step of competition) by employees with at least six months of plant service (for employees hired on or after August 1, 1999, six months or the end of such employee’s probationary period, whichever is later) on the date the vacancy is posted or such lesser period as has been mutually agreed to by the local parties. Resulting entry level departmental vacancies shall be filled on a plant-wide basis (the third step of competition) by employees with at least six months of plant service (for employees hired on or after August 1, 1999, six months or the end of such employee’s probationary period, whichever is later) on the date the vacancy is posted or such lesser period as has been mutually agreed to by the local parties. An employee transferring under Section 13-M shall be eligible to bid on vacancies notwithstanding the six-month plant service requirement set forth above.
2. However, in plants where operating circumstances so warrant (such as size, geography, job relationships, physical proximity, safety, and other appropriate factors), a two-step procedure for filling permanent vacancies shall be retained as presently agreed to. Under a two-step procedure, a permanent vacancy shall be filled from within the first step of competition (whether it be unit, line of progression, department, etc.). Each succeeding vacancy shall be filled in the same manner, and the resulting vacancy in the entry level job shall thereafter be filled on a plant-wide basis by employees with at least six months of plant service (for employees hired on or after August 1, 1999, six months or the end of such employee’s probationary period, whichever is later) on the date the vacancy is posted or such lesser period as has been mutually agreed to by the local parties.

3. As an exception to the procedures for filling vacancies provided for by paragraph 1 above, all permanent vacancies in apprenticeships and in entry level jobs in lines of promotion containing occupations which in fact lead to craft jobs shall be filled on a plant-wide basis from among qualified bidding employees. Similarly, permanent vacancies in craft jobs which are not filled by the promotion or assignment of apprenticeship graduates, or by the promotion of an employee from a non-craft job in a line of promotion leading to a craft job, or by the transfer of a craft employee from one unit to another within the same trade or craft shall be filled on a plant-wide basis from among qualified bidding employees. An employee shall not be disqualified for bidding on any such vacancy by reason of any minimum length of service
requirement. Should Management deem it necessary to retain an employee on his former job in order to continue efficient operation, it may do so on the basis of establishing such employee on the new job and temporarily assigning him to his former job until a suitable replacement can be trained for the job or its performance is no longer required. In such event, such employee shall be entitled to earnings not less than what he would have made had he been working on the new job on which he has been established and, where applicable, shall be paid as though such hours were credited to any apprenticeship.

4. Vacancies shall be made available in accordance with the seniority factors set forth in Subsection 13-A subject to the following:

a. An employee must be qualified to perform the job.

b. With respect to entry level jobs classified at Job Class 5 and below that are filled on a departmental or plant-wide basis, such jobs shall be filled from among qualified bidding employees in order of length of plant continuous service, subject, however, to paragraph c. below.

c. With respect to jobs in promotional sequences leading to trade or craft or special purpose maintenance jobs or to highly skilled operating or technical jobs, Management may require an employee to have the necessary qualifications to progress in the promotional sequence involved to the next higher job to the extent that Management needs employees for such progression. In determining the necessary qualifications to advance in the promotional sequence involved, the normal experience acquired by em-
employees in such sequence shall be taken into consideration. However, it is recognized that Management can require that a sufficient number of occupants of each job in a promotional sequence be available to assure an adequate number of qualified replacements for the next higher job.

5. If an employee accepts transfer under this Subsection O, his continuous service in the unit from which he transfers will be cancelled 30 days after such transfer, provided however, that during such 30-day period such employee may voluntarily return to the unit from which he transferred or Management may return him to that unit because he cannot fulfill the requirements of the job. In the event an employee accepts transfer under this Subsection O, he may not again apply for transfer during the period of one year after such transfer. In the event an employee refuses a transfer under this Subsection O after applying therefor or voluntarily returns to the unit from which he transferred, he may not again apply for transfer to such unit during the period of one year after such event.

6. Where a job sequence or line of progression includes jobs in the pool, such pool jobs in that job sequence or line of progression shall be considered as a single job in filling permanent vacancies above the pool.

P. Compensation for Improper Layoff or Recall

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

SECTION 14 — SAFETY AND HEALTH

A. Objective and Obligations of the Parties

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

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

Where the Company uses toxic materials, it shall inform the affected employees what hazards, if any, are involved and what precautions shall be taken to insure the safety and health of the employees. Upon the request of the Union co-chairman of the safety and health committee, the Company shall provide in writing requested information from material safety data sheets or their equivalent on toxic substances to which employees are exposed in the workplace; provided that when the information is considered proprietary, the Company shall so advise the Union co-chairman, and provide sufficient information for the Union to make further inquiry.
The Company will continue its program of periodic in-plant air sampling and noise testing under the direction of qualified personnel. Where the Union co-chairman of the safety and health committee alleges a significant on-the-job health hazard due to in-plant chemical or physical agents, the Company will also make such additional tests and investigations as are necessary and shall notify the Union co-chairman of the safety and health committee when such a test is to take place. A report based on such additional tests and investigations shall be reviewed and discussed with the safety and health committee. For such surveys conducted at the request of the Union co-chairman of the safety and health committee, a written summary of the sampling and testing results and the conclusions of the investigation shall be provided to the safety and health committee. The Director of the International Safety and Health Department may request additional information in the possession of the Company which may be useful to an understanding of a potential significant health or safety hazard. The Company will furnish such information upon written request. Where the information constitutes a legitimate trade secret, the Company may require that the requesting party sign an agreement to use the information only for the purpose of hazard evaluation and control and to assure its confidentiality.

The Company shall provide adequate first aid for all employees during their working hours; and, as required, provide for prompt emergency transportation to an appropriate treatment facility for employees who become seriously ill or are injured on the job and, in the case of injured employees, provide for transportation back to the plant or home as appropriate.

An employee who, as a result of an industrial accident, is unable to return to his assigned
job for the balance of the shift on which he was injured will be paid for any wages lost on that shift.

B. Protective Devices, Wearing Apparel, and Equipment

Protective devices, wearing apparel, and other equipment necessary properly to protect employees from injury shall be provided by the Company in accordance with practices now prevailing in each separate plant or as such practices may be improved from time to time by the Company. Goggles; hard hats; hearing protectors; prescription safety glasses; face shields; respirators; special purpose gloves; fire retardant, water resistant, and acid resistant protective clothing when necessary and required shall be provided by the Company without cost, except that the Company may assess a fair charge to cover loss or willful destruction thereof by the employee. Where any such equipment or clothing is now provided, the present practice concerning charge for loss or willful destruction by the employee shall continue. Proper heating and ventilating systems shall be installed where needed and maintained in good working condition.

C. Disputes Concerning Unsafe Conditions

An employee or group of employees who believe that they are being required to work under conditions which are unsafe or unhealthy beyond the normal hazard inherent in the operation in question shall have the right to: (1) file a grievance in the Second Step of the complaint and grievance procedure for preferred handling in such procedure and arbitration and/or (2) relief from the job or jobs, without loss to their right to return to such job or jobs, and, at Management's discretion, assignment to such
other employment as may be available in the plant; provided, however, that no employee, other than communicating the facts relating to the safety of the job, shall take any steps to prevent another employee from working on the job. If an employee has exercised his right to relief from the job under this Section, and the existence of such unsafe condition is in dispute, the chairman of the grievance committee and the division manager, or their designees, shall investigate immediately. The chairman of the grievance committee shall have the right to have a Union member of the joint safety and health committee present as an advisor. Should either Management or the Board conclude that an unsafe condition within the meaning of this Subsection C existed and should the employee not have been assigned to other available equal or higher-rated work, he shall be paid for the earnings he otherwise would have received.

The Board shall have authority to establish rules of procedure for the special handling of grievances arising under this Subsection C and to appoint local qualified arbitrators when necessary. The decision of such local arbitrators shall be subject to review by the Board in accordance with Subsection 7-A-10 of this Agreement.

It is recognized that emergency circumstances may exist, and the local parties are authorized to make mutually satisfactory arrangements for immediate arbitration to handle such situations in an expeditious manner.

D. Joint Safety and Health Committees

1. A safety and health committee consisting of not less than three nor more than ten employees designated by the Union and an equal number of Management members, if Management so desires, shall be established in each plant. By mutual agreement the
committee may be increased. The Union and the Company shall designate their respective co-chairmen and shall certify to each other in writing such co-chairmen and committee members. The committee shall hold monthly meetings at times determined by the co-chairmen who may also agree to hold special meetings. Each co-chairman shall submit a proposed agenda to the other co-chairman at least five days prior to the monthly meeting. The Company co-chairman shall provide the Union co-chairman with minutes of the monthly meeting. Prior to such monthly meeting the co-chairmen or their designees shall engage in an inspection of mutually selected areas of the plant. At the conclusion of the inspection, a written report shall be prepared by the Company setting forth their findings. One copy of the report shall be furnished to the Union co-chairman. Time consumed on committee work by committee members designated by the Union shall not be considered hours worked to be compensated by the Company. The function of the committee shall be to advise with plant management concerning safety and health and to discuss legitimate safety and health matters but not to handle complaints or grievances. In the discharge of its function, the committee shall: consider existing practices and rules relating to safety and health, formulate suggested changes in existing practices and rules, recommend adoption of new practices and rules, encourage cooperation with safe job procedures and safety rules by all parties, review proposed new safety and health programs developed by Management and review accident statistics including OSHA Form 200 and trends and disabling injuries which have occurred in the plant and make
appropriate recommendations.

When the Company introduces significant changes in technology or operations, which may affect the safety or health of employees, the matter will be discussed in advance by the committee with the objective of reviewing necessary safety equipment, safe job procedures and safety training.

2. The Union co-chairman or his designee will be afforded time off without pay as may be required to visit departments at all reasonable times for the purpose of transacting the legitimate business of the committee, after notice to the head of the department to be visited or his designated representative and, if the committee member is then at work, permission (which shall not be unreasonably withheld) from his own department head or his designated representative. If the Union co-chairman or his designee is not at work, he shall be granted access to the plant at all reasonable times for the purpose of conducting the legitimate business of the committee after notice to the head of the department to be visited or his designated representative.

3. When the Company introduces new personal protective apparel or extends the use of protective apparel to new areas or issues new rules relating to the use of protective apparel, the matter will be discussed with the members of the safety and health committee in advance with the objective of increasing cooperation. Should differences result from such discussions, a grievance may be filed in the Second Step by the chairman of the grievance committee within 30 days thereafter. In the event that the grievance progresses through the complaint and grievance procedure to arbitration, the
Board shall determine whether such rule or requirement is appropriate to achieve the objective set forth in Subsection A.

4. Advice of the safety and health committee, together with supporting suggestions, recommendations, and reasons, shall be submitted to the plant general manager for his consideration and for such action as he may consider consistent with the Company's responsibility to provide for the safety and health of its employees during the hours of their employment and the mutual objective set forth in Subsection A.

5. In the event the Company requires an employee to testify at the formal investigation into the causes of a disabling injury, the Company shall notify the employee that he may arrange to have the Union co-chairman of the safety and health committee or the Union member of such committee designated by the Union co-chairman to act in his absence present as an observer at the proceedings for the period of time required to take the employee's testimony. The Union co-chairman will be furnished with a copy of such record as is made of the employee's testimony. In addition, in the case of accidents which resulted in disabling injury or death or accidents which could have resulted in disabling injury or death and require a fact-finding investigation, the Company will, as soon as is practicable after such accident, notify the Union co-chairman of the safety and health committee, or the Union member of such committee designated by the Union co-chairman to act in his absence, who shall have the right to visit the scene of the accident promptly upon such notification, if he so desires, accompanied by the Company co-chairman or his designated representative and the Company will add the Union
co-chairman of the safety and health committee, or the Union member of such committee designated by the Union co-chairman to act in his absence, to the notification list for such accidents. After making its investigation, the Company will supply to the Union co-chairman of the safety and health committee, a statement of the nature of the injury, the circumstances of the accident, and any recommendations available at that time, and will consider any recommendations he may wish to make regarding the report. In such cases, when requested by the Union co-chairman, the Company co-chairman of the safety and health committee or his designated representative will review the statement with the Union co-chairman. Also, in such cases, the Company co-chairman of the safety and health committee or his designated representative, when requested by the Union co-chairman, will visit the scene of the accident with the Union co-chairman or, in his absence, his designated substitute.

6. The Company will, from a single source at the Company headquarters level, provide the International Union Safety and Health Department with prompt notification of any accident resulting in a fatality to a Union member. This notification shall be either oral or written and include the date of the fatality, the plant or unit location of the fatality and, if known, the cause of the fatality. The Company will provide the International Union Safety and Health Department with a copy of the fatal accident report that is given to the local union safety and health committee when such report becomes available. Any necessary discussion or other communication on this data between the Company and the Interna-
7. Once each year the Company will, from the same source described in 6 above, provide to the International Union Safety and Health Department the OSHA Form 200 Summary of Occupational Injuries and Illnesses or its equivalent, the lost workday accident incidence frequency rate and the fatality frequency rate for each plant covered by this Agreement. Upon request and for specific locations where detailed information is necessary, the Company will, from the same source, provide a copy of the OSHA Form 200 Log of Occupational Injuries and Illnesses or its equivalent.

8. Joint Company-level Committee on Safety and Health — The International Union and the Company shall each designate three representatives to a joint Company-level Committee on Safety and Health which shall meet at least annually to review the operation of this Section with a view to achieving maximum understanding as to how the Company and the Union can most effectively cooperate in achieving the objective set forth in Subsection A.

9. Should the Director of the International Union Safety and Health Department or a member of his staff desire access to a plant, such access may be approved on a case-by-case basis through the office of the Vice President — Employee Relations. The Vice President — Employee Relations or his designee shall accompany the Union representative.

10. It is intended that, consistent with the foregoing functions of the safety and health committees, the International Union, local unions, Union safety committees and its
officers, employees and agents shall not be liable for any work-connected injuries, disabili­ties or diseases which may be incurred by employees.

E. Disciplinary Records

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

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

When a written safety observation report is made involving a violation of a safety procedure or rule by an employee which does not involve discipline, a copy of that report will be given to the employee.

F. Alcoholism and Drug Abuse

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

In order to assist employees and to provide a safe working environment, the Company, in addition to the testing now being done for cause, may, effective April 1, 1987, with ad-
vance notice to the employee, include a drug screen as part of the physical examination of employees recalled from layoff after absences from work in excess of 90 days. Such screen shall be done utilizing the most reliable procedures available and under the supervision of qualified medical personnel. Should an employee test positive as to any illegal drug and a retest confirms the positive result, he shall be offered rehabilitation. All programs will be carried out with due regard to employees’ right to privacy. The Company will not require employees to submit to random or blanket drug screening.

G. Safety and Health Training

1. General

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

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

2. Training of Newly Hired and Transferred Employees

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

The Union co-chairman of the safety and health committee and the International Union Safety and Health Department or a designee shall, upon request, be afforded the opportunity to review the training program for newly hired employees at the plant level.

3. Training of Other Employees

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

4. Retraining

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

H. Medical Records

The Company shall maintain the confidentiality of reports of medical examinations of its employees and shall only furnish such reports to the employee or to a physician
designated by the employee upon the written authorization of the employee, or, in an emergency situation in which the employee is not able or time does not permit authorization, to the treating physician without such authorization; provided, that the Company may use or supply medical examination reports of its employees in response to subpoenas, requests to the Company by any governmental agency authorized by law to obtain such reports, and in arbitration or litigation of any claim or action involving the Company. Whenever the Company physician detects a medical condition which, in his judgment, requires further medical attention, the Company physician shall advise the employee of such condition or to consult with his personal physician.

SECTION 15 — MILITARY SERVICE

A. Reemployment Rights

The Company shall accord to each employee who applies for reemployment after conclusion of his military service with the United States such reemployment rights as he shall be entitled to under then-existing statutes.

B. Training

Reasonable programs of training shall be employed in the event employees do not qualify to perform the work on the job which they might have attained except for absence in such service.

C. Special Leave of Absence

Any employee so applying for reinstatement shall be granted upon request a leave of absence without pay not to exceed sixty days before he shall be required to return to work.
D. Educational Leave of Absence

Any employee entitled to reinstatement under this Section who applies for reemployment and who desires to pursue a course of study in accordance with the federal law granting him such opportunity before or after returning to his employment with the Company shall be granted a leave of absence for such purpose; provided that an employee who desires such a leave of absence after returning to his employment with the Company shall have it granted only if he notifies the Company in writing, within one year from the date he is reemployed, of his intention to pursue such a course of study. Such leave of absence shall not constitute a break in the record of continuous service of such employee but shall be included therein provided the employee reports promptly for reemployment after the completion or termination of such course of study. Any such employee must notify the Company and the Union in writing at least once each year of his continued interest to resume active employment with the Company upon completing or terminating such course of study.

E. Disabled Returning Veterans

Any employee entitled to reinstatement under this Section who returns with service-connected disability incurred during the course of his service shall be assigned to any vacancy which shall be suitable to such impaired condition during the continuance of such disability irrespective of seniority; provided, however, that such impairment is of such a nature as to render the veteran's returning to his own job or department onerous or impossible; and provided further that the veteran meets the minimum physical requirements for the job available or for the job as Management may be able to adjust it to meet the veteran's impairment.
F. Special Vacation Provisions

An employee who at the time of leaving active employment to enter military service of the United States has qualified for a vacation in the year of such entrance and who has not received a vacation or vacation allowance shall then be granted such allowance, provided, however, that a volunteer shall have given 14 days' notice of intention to enlist.

An employee who, after being honorably discharged from the military service of the United States, is reinstated pursuant to this Section shall be entitled to a vacation with pay or, in lieu thereof, to vacation allowance in and for the calendar year in which he is reinstated without regard to any requirement other than an adequate record of continuous service.

G. Military Encampment Allowance

An employee with one or more years of continuous service who is required to attend an encampment of the Reserve of the Armed Forces or the National Guard shall be paid, for a period not to exceed two weeks in any calendar year, the difference between the amount paid by the government (not including travel, subsistence and quarters allowance) and the amount calculated by the Company in accordance with the following formula. Such pay shall be based on the number of days such employee would have worked had he not been attending such encampment during such two weeks (plus any Holiday in such two weeks which he would not have worked) and the pay for each such day shall be eight (8) times his average straight-time hourly rate of earnings (including applicable incentive earnings but excluding shift differentials and Sunday and overtime premiums) during the last payroll period worked prior to the encampment. If the period of such encampment exceeds two weeks in any calendar
year, the period on which such pay shall be based shall be the first two weeks he would have worked during such period. Military pay for days in the two week period which do not coincide with days the employee would have worked for the Company shall not be deducted from the Military Encampment Allowance.

SECTION 16 — SEVERANCE ALLOWANCE

A. Conditions of Allowance

When, in the sole judgment of the Company, it decides to close permanently a plant or discontinue permanently a department of a plant or substantial portion thereof and terminate the employment of individuals, an employee whose employment is terminated either directly or indirectly as a result thereof because he was not entitled to other employment with the Company under the provisions of Section 13 — Seniority of this Agreement and paragraph B-2 below shall be entitled to a severance allowance in accordance with and subject to the following provisions.

Before the Company shall finally decide to close permanently a plant or discontinue permanently a department of a plant it shall give the Union, when practicable, advance written notification of its intention. Such notification shall be given at least 90 days prior to the proposed closure date, and the Company will thereafter meet with appropriate Union representatives in order to provide them with an opportunity to discuss the Company’s proposed course of action and to provide information to the Company and to suggest alternative courses. Upon conclusion of such meetings, which in no event shall be less than 30 days prior to the proposed closure or partial closure date, the Company shall advise the Union of its final
decision. The final closure decision shall be the exclusive function of the Company. This notification provision shall not be interpreted to offset the Company's right to lay off or in any other way reduce or increase the working force in accordance with its presently existing rights as set forth in Section 3 of this Agreement.

B. Eligibility

Such an employee to be eligible for a severance allowance shall have accumulated three or more years of continuous Company service as computed in accordance with Section 13 — Seniority of this Agreement.

1. In lieu of severance allowance, the Company may offer an eligible employee a job, in at least the same job class for which he is qualified, in the same general locality. The employee shall have the option of either accepting such new employment or requesting his severance allowance. If an employee accepts such other employment, his continuous service record shall be deemed to have commenced as of the date of the transfer, except that for the purposes of severance allowance under this Section and for purposes of Section 12 — Vacations his previous continuous service record shall be maintained and not be deemed to have been broken by the transfer.

2. As an exception to Paragraph 1 above, an employee otherwise eligible for severance allowance who is entitled under Section 13 — Seniority to a job in at least the same job class in another part of the same plant shall not be entitled to severance allowance whether he accepts or rejects the transfer. If such transfer results directly in the permanent displacement of some other employee, the latter shall be eligible for severance allowance provided he otherwise qualifies under the terms of this Section.
C. Scale of Allowance

An eligible individual shall receive severance allowance based upon the following weeks for the corresponding continuous Company service:

<table>
<thead>
<tr>
<th>Weeks of Severance</th>
<th>Continuous Company Service</th>
</tr>
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<tbody>
<tr>
<td>3 years but less than 5 years</td>
<td>4</td>
</tr>
<tr>
<td>5 years but less than 7 years</td>
<td>6</td>
</tr>
<tr>
<td>7 years but less than 10 years</td>
<td>7</td>
</tr>
<tr>
<td>10 years or more</td>
<td>8</td>
</tr>
</tbody>
</table>

D. Calculation of Allowance

A week's severance allowance shall be determined in accordance with the provisions for calculation of vacation pay as set forth in Section 12 — Vacations.

E. Nonduplication of Allowance

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

F. Election Concerning Layoff Status

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

G. Payment of Allowance

Payment shall be made in a lump sum at the time of termination. Acceptance of severance allowance shall terminate employment and continuous service for all purposes under this Agreement.

H. Retiree Benefits Offset

Notwithstanding any other provision of this Agreement, any severance allowance payable to an employee who is eligible for an immediate unreduced pension shall be reduced by (a) the present value of the incremental pension benefits as defined below; and (b) the value of retiree health benefits as determined in accordance with the provisions of the Age Discrimination in Employment Act of 1967, 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 (a) the total amount of pension payable to such employee prior to age 62; and (b) 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.

SECTION 17 — PROFIT SHARING PLAN

To be successful, a business enterprise must produce superior quality products at a cost competitive price. That success can be achieved only by the employees of the enterprise. This Profit Sharing Plan provides covered USS employees with the opportunity to share in the financial profits of the business resulting from the success of all contributors.

A. Definition

1. "Employee" means all union-represented full-time employees to USS's Steel and Domestic Ore Operations.

2. "Individual Profit Share" means the amount payable to a participant entitled to a distribution from a Profit Sharing Pool.

3. "Participant" means any covered employee who performs actual hours of work during the Plan Year and who has not (a) voluntarily terminated employment (other than immediate pension) prior to the end of a Plan Year, or (b) been discharged for cause prior to the end of a Plan Year. Each participant will be eligible to participate in the distribution of a Profit Sharing Pool.

5. “Plan Administrator” means the Vice President, Accounting and Finance, USS.

6. “Plan Year” means the calendar year beginning January 1 and ending December 31.

7. “Profit Sharing Pool” means those funds determined in accordance with Section C below, which are available in a Plan Year for the distribution of an Individual Profit Share.

8. “USS” means USS, a division of USX Corporation.


10. "Hours" shall mean the following, but shall not exceed 40 hours for any week for any Employee: Hours worked (including straight time and overtime hours), vacation and holiday hours at a rate of 8 hours for each holiday or day of vacation, hours on USWA business, and hours at a rate of 8 hours per day, while receiving Workers' Compensation benefits (based on the number of days absent from work while receiving such benefits).

11. Date of calculation means the last day of the Plan Year.

B. Coverage

1. This Plan covers all USWA production and maintenance, USWA clerical and technical, and Union-represented plant protection employees of USS's Steel and Domestic Ore Operations as set forth in Exhibit A, below, who have completed at least two (2) years of USS continuous service as of the first day of the Plan Year.

C. Profit Sharing Pool

1. The Profit Sharing Pool for each Plan Year shall be 10% of USS pre-tax income as calculated in accordance with Section D below. Such Pool shall then be reduced...
by $0.088 times the number of actual hours worked by employees covered by the Plan during the Plan Year. If the Profit Sharing Pool for any Plan Year is insufficient to comprehend the deduction referenced above in whole or in part, then any amount still remaining to be taken against the Pool for that Plan Year shall be carried over into the following Plan Year(s) and taken as soon as possible as an additional deduction against the subsequent Plan Year(s) Pool.

2. The Profit Sharing Pool will be determined for each Plan Year separately and, except for the deduction against the Pool(s) provided for in 1.1 above, there will be no aggregation of Plan Years or cumulative effect.

3. Subsequent to the determination of pre-tax income in accordance with Section D-5 below, but in no event later than March 1 following the end of the Plan Year, the Plan Administrator shall provide to the Chairman of the Union Negotiating Committee a statement as to the amount and calculation of the Profit Sharing Pool as reported upon by certified public accountant.

D. USS Pre-Tax Income

1. Accounting will be in accordance with Generally Accepted Accounting Principles (GAAP), consistently applied, and USX accounting policies, using as a basis the income statements developed for external reporting purposes. USX's accounting policies include certain allocations between USS and USX.

2. Income for purposes of this Plan will be determined by the same methods as the
Company uses in the ordinary course of its business. The following items will be excluded from the pre-tax income of USS:

a. The pre-tax income or loss related to unusual items (such as plant shutdowns).

b. The pre-tax income or loss from significant sales of property, plant and equipment or other non-current assets.

c. The income and investments applicable to affiliates.

d. Extraordinary items (such as repurchased debt).

e. Cumulative effect on prior years of a change in accounting principle.

f. Profit Sharing Pool expense.

g. Interest expense.

3. USS Pre-Tax Income as determined in accordance with (1) and (2) above shall then be reduced by a capital cost charge determined by multiplying 4.521% by the average assets employed in USS (steel and domestic ore) during the course of the Plan Year. Average assets shall be the average net fixed assets plus inventories as shown on the quarterly USS balance sheets developed for external reporting purposes.

4. The Company will furnish a quarterly income statement for USS to the Chairman of the Union Negotiating Committee.

5. Pre-tax income for USS for each Plan Year will be reported upon by a certified public accountant at the end of each Plan Year and shall be determined in a manner consistent with that used by USX in its internal and external reporting. A copy of the certified public accountant's report shall be fur-
nished to the Chairman of the Union Negotiating Committee, together with the results of such calculation and explanatory notes as may be appropriate.

E. Participation
1. As to each Plan Year for which a Profit Sharing Pool is realized, distribution to each participant will be based on the hours as defined in Section A-10 above ("Hours") of each such employee. The amount allocated to each participant (Individual Profit Share) shall be equal to the Profit Sharing Pool divided by the number of Hours of all USWA-represented employees multiplied by his or her Hours during the year.

F. Distribution
1. Subject to the provisions of Section I below, the Individual Profit Share determined for each participant as set forth above will be distributed by a separate check, following deductions as set forth in Section 2 below, on or before April 15 following the end of the Plan Year.

2. The Individual Profit Share distributed hereunder shall be paid following the deduction of:
   a. all applicable federal, state and local taxes; and
   b. an amount equal to 1.30% of the gross amount of the participant’s Individual Profit Share for payment to the Union as dues, provided that any such deduction shall be in accordance with the provisions of Section 5-B of the August 1, 1999 Basic Labor Agreement between USS and the United Steelworkers of America.

3. An Individual Profit Share to a participant shall be an “add on” for earnings purposes
but shall not be part of a participant’s Standard Hourly Wage Scale Rate and shall not be a part of the participant’s pay for any other purposes and shall not be used in the calculation of any other pay, allowance, or benefit.

4. A summary description of the calculation of the Profit Sharing Pool for each Plan Year will be distributed to each covered employee whether or not a distribution occurs for that Plan Year.

G. Administration
1. The plan will be administered by the USS Financial Department and all costs associated with the administration of the Plan will be incurred as a USS expense.

2. The Plan Administrator is the Vice President, Accounting and Finance, USS, 600 Grant Street, Pittsburgh, PA 15219.

H. Profit Sharing Pool Audit and Dispute
1. Upon receipt of the determinations of pre-tax income and the Profit Sharing Pool described herein, the Union may request an additional audit of the determinations of pre-tax income and/or the Profit Sharing Pool for the applicable Plan Year by a national certified public accounting firm selected by the Union. The expense of such an additional audit shall be reimbursed as soon as possible from the Profit Sharing Pool and deducted from the amounts otherwise available under such Pool for distribution to employees. Such an audit must be requested by the Chairman of the Union Negotiating Committee in writing to the Plan Administrator within thirty (30) days of receipt of the Profit Sharing Pool determination described in Section C-3 above.
2. In the event that an audit is performed by the Union's outside auditing firm in accordance with Section 1 above, the Company will furnish data to the outside auditing firm concerning transfer prices for materials and services provided to USS by other divisions or subsidiaries of USX or from USS to other divisions or subsidiaries of USX as the auditing firm may request so as to enable the auditing firm to render an opinion as to whether materials and/or services from or to USX-affiliated business entities have moved at arm's-length prices typical of normal public trade transactions. It is acknowledged and agreed that the commercial reasonableness of such transfer prices may be a subject of arbitration under Section 3 below. "Commercial Reasonableness" means the current market price of materials and services as determined from industry sources considering the grade and quality of goods and services and the transportation cost of receiving goods and services.

3. If, as a result of an opinion of the Union's outside auditing firm, the Chairman of the Union Negotiating Committee disagrees with the USS determination of pre-tax income and/or the Profit Sharing Pool, such disagreement must be submitted in writing to the Plan Administrator not later than fifteen (15) days following the completion of such an audit and shall set forth in detail the basis for the disagreement. A reply by the Plan Administrator will be provided in writing fifteen (15) days thereafter. In the event disagreement continues following receipt of the Plan Administrator's reply, the matter may be submitted to binding arbitration upon written request of the Chairman of the Union Negotiating Com-
mittee to the Plan Administrator within fifteen (15) days of the Plan Administrator's reply. In the event of such arbitration, the arbitrator shall be selected by the Chairman of the Board of Arbitration, 530 Oliver Building, Pittsburgh, PA 15222. The arbitrator shall have authority only to decide the dispute pursuant to the provision of the Plan, but shall not have authority in any way to alter, add to or subtract from any such provision. The costs of arbitration will be shared equally by USS and the United Steelworkers of America. In the event that the arbitrator finds that the USS determination of pre-tax income or the Profit Sharing Pool was incorrect in whole or in part because the transfer prices or other consideration used in connection with transactions from or to USS affiliated business entities (including, without limitation, USX, to the extent such transactions are with a portion of USX which is not part of USS) were not commercially reasonable, he shall determine the extent of the unreasonableness, and require USS to redetermine the pre-tax income and/or the profit sharing pool accordingly. Additionally, the arbitrator shall require USS and such other USS-affiliated entity to take such actions as may be necessary so that the transactions will be reconstructed and redone utilizing the transfer prices or other consideration which the arbitrator determines to have been commercially reasonable. The decision of the arbitrator will be final and binding and the foregoing shall be the sole, exclusive and mandatory procedure for resolving any such disputes.

4. Notwithstanding Section 3 above, the Company shall make distribution to the Participants as provided in Sec-
tion F based on its determination of the Profit Sharing Pool less the expenses of the Union’s audit under Section 1 above. If the process described in Section 3 above results in a requirement of an additional distribution, such distribution shall be made no more than 30 days after the issuance of the arbitrator's award.

I. Claims and Appeals
1. Any participant who believes that he or she is entitled to an Individual Profit Share for any Plan Year for which a Profit Sharing Pool is determined or that the Individual Profit Share which he or she receives is incorrect may file claims in accordance with the grievance and arbitration provisions of the applicable collective-bargaining agreement in effect at the time of the claim, such claim to be made not later than thirty (30) days following the distribution of the Profit Sharing Pool or summary calculation for the Plan Year.

2. The appeals procedures established by this Section shall be the sole, exclusive and mandatory procedures for resolving any claim.

J. Finality of Determination
1. Any Profit Sharing Pool determination and distribution shall become final ninety (90) days after the date on which it is made if (a) there is no dispute, then pending, and (b) the Plan Administrator has not theretofore given notice in writing of an error.

K. Correction of Payments
1. The Plan Administrator shall have authority to recover overpayments and correct underpayments. Any participant who received an Individual Profit Share sub-
subsequently determined to constitute an over-payment, will be advised in writing of that overpayment by the Plan Administrator with a request to repay the amount of the overpayment. Should a participant fail to repay the amount of the overpayment within thirty (30) days after notice of same, the Plan Administrator shall be entitled to recover the amount of such overpayment immediately from any monies then payable, or which may become payable, to the employee in the form of wages or benefits from USS, provided that in the event that the amount of the overpayment exceeds $50.00, the Plan Administrator shall implement such recovery in equal increments reasonably proportionate to the employee's pay period earnings.

L. Duration


M. Impact of Change in Corporate Structure

Except as the Company and the Union otherwise agree, any change in the corporate structure of USS (which as of February 1, 1991 is a division of USX Corporation), such as a transfer of its assets and liabilities to a wholly owned subsidiary of USX Corporation, or such as the creation of separate energy and non-energy units for targeted stock purposes, shall not require or result in any change in the provisions of the Plan or in the methodology for calculating the Profit Sharing Pool, so that the Profit Sharing Pool shall be calculated after such change in corporate structure just as it would have been calculated had the change in corporate structure not occurred.
N. Pension and OPEB Expense

Notwithstanding anything to the contrary contained in this Section 17, and disregarding any changes that USX may make in its historic accounting policies and external reporting practices, the determination of USS Pre-Tax Income with respect to pension expense (credit) and OPEB expense (credit) shall be made on the same basis as and in the same manner as it was during the term of the February 1, 1994 Basic Labor Agreement except that there will be no deduction from (or charge against) USS Pre-Tax Income for any pension expense other than (a) the normal service cost associated with active employees and (b) the past service cost for benefit improvements which is amortized over the remaining career of the active employees and except that the deduction from (or charge against) USS Pre-Tax Income for retiree life expenses will be made on a claims paid rather than on an accrual basis.

Exhibit A
Covered Employees

The Profit Sharing Plan covers the following groups of employees:

USWA production and maintenance,
USWA clerical and technical,
USWA plant protection at the following USS locations:
Fairfield Works
Gary Works
SECTION 18 — SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

A. Description of Plan

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

B. Coverage

1. The Plan shall, for the period specified in the termination provisions of this Agreement, be applicable to the employees, together with other employees represented by the Union.

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

3. There shall be one trust fund under the Plan applicable to all employees covered by the Plan, and any determinations under the Plan will be based on the experience with respect to everyone covered thereby.

C. Reports to the Union

The Company will provide the Union with information on the forms agreed to by the
Section J9 - SUB and Insurance Grievances

parties and at the times indicated thereon, and such additional information as will reasonably be required for the purpose of enabling the Union to be properly informed concerning operations of the Plan.

SECTION 19 — SUB AND INSURANCE GRIEVANCES

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

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

(a) pursuant to the SUB, or

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

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

1. A grievance must, in order to be considered, be presented in writing within 30 days after the action giving rise to such difference on a form to be furnished by the Company which shall be dated and signed by the employee involved and the representative designated by the local union to
handle such grievances and presented to a local representative of the Company designated to receive and handle such grievances. For the purposes of the preceding sentence, with respect to a grievance arising under Sections 3, 4 or 5 of the PIB the action giving rise to such difference shall be deemed to be the date of final decision on the PIB claim made by Blue Cross and/or Blue Shield pursuant to the Appeals Procedure set forth in Paragraphs 3.58, 4.38 and 5.15 of the PIB. The grievance shall be discussed by such representatives within 10 days after it has been presented to the representative of the Company. The representative of the Company shall note in the appropriate place on the form his disposition of the grievance, his reasons therefor and the date thereof and shall return two copies of the form to the local representative of the Union within 10 days after the date on which it was last discussed by them unless he and the local representative of the Union agree otherwise. Minutes of any discussion between the Union and the Company shall be prepared and signed by the local representative of the Company within 10 days after the discussion is held and shall be signed by the representative of the local union. If the representative of the local union shall disagree with the accuracy of the minutes as prepared by the Company, he shall set forth and sign his reasons for such disagreement and the minutes, except for such disagreement, shall be regarded as agreed to. Unless the grievance is appealed as set forth below within 10 days after the date of delivery of the minutes to the representative of the local union, it shall be deemed to have been settled and no appeal therefrom shall thereafter be taken. Not-
withstanding the first sentence of this paragraph, (a) a grievance relating to Short Week Benefits under the SUB must be presented within 30 days after the date of the Short Week Benefit draft if the dispute relates to the amount of the benefit or within 60 days from the end of the week in question if the dispute relates to eligibility for the benefit and (b) a grievance relating to the Insurance Agreement (including PIB) must be presented within 30 days after the earliest date on which the grievant knew or reasonably should have known of the action on which it is based.

2. In order for a grievance to be considered further, written notice of appeal shall be served, within 10 days after receipt of the minutes described above, by the representative of the District Director of the Union, certified to the Company in writing, upon the representative of the Company, similarly certified to the Union by the Company. Such notice shall state the subject matter of the grievance, the identifying number and objections taken to the previous disposition. A grievance which has been so appealed shall be discussed within 30 days of such notice by such representatives, in an effort to dispose of the grievance. Minutes of the discussion, which shall include a statement of the disposition of the grievance by the representative of the Company, his reasons therefor and the date thereof, shall be prepared and signed by him and delivered to the representative of the Union within 10 days after the discussion is held. The representative of the Union shall sign such minutes and shall deliver a copy to the representative of the Company and in the event he shall disagree with the accuracy of
the minutes as prepared by the Company, he shall set forth and sign his reasons for such disagreement and the minutes, except for such disagreement, shall be regarded as agreed to. If an appeal from the action taken with regard to the grievance in accordance with the foregoing procedure is not made in the manner set forth below, the grievance shall be deemed to have been settled in accordance with such action and no appeal therefrom shall thereafter be taken.

3. If the procedure described in paragraphs 1 and 2 above has been followed with respect to a grievance and it has not been settled, it may be appealed by the District Director, or his representative, to arbitration by written notice served simultaneously on the Board and the certified representative of the Company described in paragraph 2 above within 20 days after the date of delivery of the minutes to the representative of the Union.

4. The decision of the Board on any grievance which has properly been referred to it shall be final and binding upon the Company, the Union, and all employees involved in the grievance.

SECTION 20 — PRIOR AGREEMENTS

The terms and conditions established by this Agreement replace those established by the Agreement of February 1, 1994, effective as of August 1, 1999 except as otherwise expressly provided in this Agreement.

Any complaint or grievance which as of the effective date of this Agreement has been presented in writing and is in the process of
adjustment under the complaint and grievance procedure of the Agreement of February 1, 1994 may be continued to be processed under the complaint and grievance procedure of this Agreement and settled in accordance with the applicable provisions of the applicable prior Agreement for the period prior to the effective date of this Agreement and for any period thereafter in accordance with the applicable provisions of this Agreement.

Any complaint or grievance filed on or after the effective date of this Agreement which is based on the occurrence or nonoccurrence of an event which arose prior to the effective date of this Agreement must be a proper subject for a complaint or grievance under this Agreement and processed in accordance with the complaint and grievance procedure of this Agreement. Such complaint or grievance shall be settled in accordance with the applicable provisions of the Agreement of February 1, 1994, for the period prior to the effective date of this Agreement, and for any period thereafter in accordance with the applicable provisions of this Agreement.

SECTION 21 — TERMINATION DATE

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

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

Notwithstanding any other provisions of this Agreement, or the termination of any or all other portions hereof, the Supplemental Unemployment Benefit Plan shall remain in effect until expiration of 120 days after written notice of termination served by either party on the other party on or after September 3, 2004. However, the Company's obligation to make payments to the Fund under paragraph 6.5b(3) of the SUB Plan shall terminate effective as of the date of termination or expiration of this Agreement.

Any notice to be given under this Agreement shall be given by registered mail; be completed by and at the time of mailing; and, if by the Company, be addressed to the United Steelworkers of America, Five Gateway Center, Pittsburgh, Pennsylvania 15222, and if by the Union, to the Company at 600 Grant Street Pittsburgh, Pennsylvania 15219-4776. Either party may, by like written notice, change the address to which registered mail notice to it shall be given.
MEMBERS OF NEGOTIATING COMMITTEE
UNITED STEELWORKERS OF AMERICA

DISTRICT DIRECTORS

District 1  
Dave McCall

District 7  
Jack Parton

District 8  
Billy Thompson

District 9  
Homer Wilson

District 10  
Andrew V. Palm

District 11  
David A. Foster

USWA NEGOTIATING COMMITTEE

Andrew V. Palm, Chairman
David A. Foster, Secretary

INTERNATIONAL OFFICE

Bernard Kleiman  
J. Roy Murray
Tom Clancy  
Harry Tuggle
Marsha Zakowski  
Ron Bloom
Kelly McCaffery  
Patti Seehafer
Carl B. Frankel  
Joseph P. Stuligross
MEMBERS OF NEGOTIATING COMMITTEE
UNITED STEELWORKERS OF AMERICA

STAFF REPRESENTATIVES

District 7
Jim Robinson
Rick Yover

District 10
Jack Coates
Lewis S. Dopson, Jr.
Richard Pastore

District 9
David Newell
Rip Williamson

District 11
Robert Bratulich
Eugene Skraba
MEMBERS OF NEGOTIATING COMMITTEE
UNITED STEELWORKERS OF AMERICA

LOCAL UNION PRESIDENTS

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186
The standard hourly wage scale of rates for AA-1 nonincentive jobs shall be as follows:

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APPENDIX A-1

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APPENDIX A-2
PARITY INVESTMENT BONUS

1. Parity Investment Bonus

1. Each employee who is actively at work on AA-2.1 September 1, 1999 or who has been absent from work for two years or less as of such date shall receive, on or before October 1, 1999, at the Company's option, either: (1) a cash payment of $500; or (2) $500 of USX Steel Common Stock, $1 par value, valued at the average of the high and low sales prices, regular way, of such stock on August 31, 1999 as reported on the New York Stock Exchange Composite Tape.

2. Each employee who is actively at work on AA-2.2 August 1, 2000 or who has been absent from work for two years or less as of such date shall receive, on or before September 1, 2000, at the Company's option, either: (1) a cash payment of $1,000; or (2) $1,000 of USX Steel Common Stock, $1 par value, valued at the average of the high and low sales prices, regular way, of such stock on July 31, 2000, as reported on the New York Stock Exchange Composite Tape.

3. Each employee who is actively at work on AA-2.3 August 1, 2001 or who has been absent from work for two years or less as of such date shall receive, on or before September 1, 2001, at the Company's option, either: (1) a cash payment of $1,000; or (2) $1,000 of USX Steel Common Stock, $1 par value, valued at the average of the high and low sales prices, regular way, of such stock on July 31, 2001, as reported on the New York Stock Exchange Composite Tape.

4. Each employee who is actively at work on AA-2.4 August 1, 2002 or who has been absent from work for two years or less as of such date
shall receive, on or before September 1, 2002, at the Company’s option, either: (1) a cash payment of $1,000; or (2) $1,000 of USX Steel Common Stock, $1 par value, valued at the average of the high and low sales prices, regular way, of such stock on July 31, 2002, as reported on the New York Stock Exchange Composite Tape.

5. Each employee who is actively at work on August 1, 2003 or who has been absent from work for two years or less as of such date shall receive, on or before September 1, 2003, at the Company’s option, either: (1) a cash payment of $1,000; or (2) $1,000 of USX Steel Common Stock, $1 par value, valued at the average of the high and low sales prices, regular way, of such stock on July 31, 2003, as reported on the New York Stock Exchange Composite Tape.

6. Each employee who is actively at work on February 1, 2004 or who has been absent from work for two years or less as of such date shall receive, on or before March 1, 2004, at the Company’s option, either: (1) a cash payment of $500; or (2) $500 of USX Steel Common Stock, $1 par value, valued at the average of the high and low sales prices, regular way, of such stock on January 30, 2004, as reported on the New York Stock Exchange Composite Tape.

7. The Company shall decide at least 30 days prior to the date on which eligibility is determined for each Parity Investment Bonus ("eligibility date") whether it will pay the same in cash or stock. If it determines to make the payment in the form of stock, it will advise employees of such decision more than 30 days prior to the eligibility date. Any employee who desires to sell the stock which will be issued him and receive $1,000 ($500
in the case of the 1999 and 2004 Parity Investment Bonuses) in cash must, prior to the eligibility date, complete an election form indicating such decision and return the same to the Company. An eligible employee electing to do so will receive $1,000 ($500 in the case of the 1999 and 2004 Parity Investment Bonuses) regardless of the actual price received by the Company for the sale of such stock and regardless of the brokerage fees incurred by the Company in selling such stock. The payment of $1,000 ($500 in the case of the 1999 and 2004 Parity Investment Bonuses) will be made by the time that the shares of stock would otherwise have been required to be issued.

8. Any eligible employee who does not elect to sell his shares of stock pursuant to 7. above will be issued certificates evidencing the employee's ownership of the shares awarded, provided, however, that fractional shares of USX Steel Common Stock shall not be issued. If the number of shares of USX Steel Common Stock remaining to be issued to any employee is a fraction of a whole share, the Company will pay to the employee the cash value of each fractional share, based on the valuation for a whole share as provided above.

II. Bonus Effect

No bonus provided for by this Appendix shall be used in the calculation of any other pay, allowance, or benefit and each bonus provided by this Appendix shall be subject to all required tax withholdings and union dues.
## APPENDIX B

### INTERPLANT JOB OPPORTUNITIES

#### REGIONAL AREAS AND PLANTS

(The following covers only Production and AB.1 Maintenance bargaining units.)

<table>
<thead>
<tr>
<th>REGION</th>
<th>DIV</th>
<th>WORKS OR PLANT</th>
<th>LOCATION</th>
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</thead>
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<tr>
<td>Fairfield</td>
<td>USS</td>
<td>Fairfield Works:</td>
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<td></td>
<td></td>
<td>USS Fairfield Flat Roll</td>
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<tr>
<td>Gary</td>
<td>USS</td>
<td>Gary Works:</td>
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<td></td>
<td>USS Gary Sheet &amp; Tin</td>
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<tr>
<td></td>
<td></td>
<td>USS Gary Steel</td>
<td>Gary, Ind.</td>
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<td>MO</td>
<td>Minnesota Ore</td>
<td>Mt. Iron, Minn.</td>
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<td>USS</td>
<td>Clairton Plant</td>
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<td>Mon Valley Works:</td>
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<td>Edgar Thomson Plant</td>
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## APPENDIX C

### MEMORANDUM OF UNDERSTANDINGS ON MISCELLANEOUS MATTERS

1. The understandings reflected in the prior AC.1 Supplemental Agreement concerning so-called portal-to-portal claims are readopted for the term of the new Basic Labor Agreement.

2. The proposals made by each party with AC.2 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

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Appendix C (Contd.)

Labor Agreements.

3. Any understanding contained in a letter agreed to in connection with prior contracts, concerning the readoption of provisions relating to local working conditions, shall continue in effect.

4. It is agreed by the parties that in connection with grievances which arise under Section 9-D of the Agreement between the parties, either Third Step representative shall have the right to invite a representative of his central office to participate in Third Step deliberations, provided that notice is given to the other Third Step representative of such request. The participation of such additional representatives, if any, shall be either in Third Step meetings or as otherwise agreed to by the Third Step representatives. If the head of the Collective Bargaining Services of the International Union so requests, the Company will agree to a reasonable extension of time in the Third Step to facilitate the procedure outlined herein.

5. In response to the Union's request for more prompt information at the plant level regarding additions to work forces in the various bargaining units, the Company will adopt the following procedure: 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.

6. The Company (together with certain other AC.6 Companies) and the Union have reached the following understandings with respect to the following subjects:

a. Training

In order to serve the basic educational AC.7 and training needs of employees and unemployed persons and thereby enhance their qualifications for job opportunities and advancement, the Companies and the Union have been jointly involved in training programs under the Manpower Development and Training Act (MDTA). It is agreed that these efforts have been sufficiently beneficial to warrant continued exploration of these types of programs for further development under MDTA, other applicable laws and through other mutually agreed upon means.

b. Job Classification Task Force

The present Job Classification Program AC.8 has been in effect for more than 30 years. The parties recognize that the impact of this Program on the earnings of employees and the costs of the Company makes it desirable to review, improve and update the Job Description and Classification Manual as necessary to accommodate changing conditions and new technology in the industry.

In order to insure the usefulness and AC.9 integrity of the present Job Description and Classification Manual, the parties
agree to appoint a Job Classification Committee consisting of three Union representatives and three Company representatives for the purpose of developing (1) additional Master Job Classifications to provide broader coverage of existing operations and processes, and (2) Master Job Classifications representative of jobs resulting from new technology such as pollution control facilities, desulfurization operations, nondestructive testing, automated process controls, consumable electrode melting and vacuum degassing, which are not presently included in the Manual.

This paragraph 6 is not intended to enlarge or diminish the existing contractual rights of the parties in relation to these subject matters. The parties may, during the life of this Agreement, take such action as they deem appropriate in light of the findings resulting from implementation of this paragraph 6.

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

8. No employee shall be required by the Company to submit to a lie detector test. Additionally, the results of any lie detector test shall not be used by the Company or by the Union in the grievance procedure or in arbitration.
APPENDIX D
MEMORANDUM OF UNDERSTANDING
ON CONTRACTING OUT MATTERS

The following understandings have been agreed to regarding contracting out matters:

I. Letter Agreement Regarding Employee Hours of Pay Guarantee

February 1, 1991

Mr. Andrew V. Palm, Chairman
USX/USWA Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, Pennsylvania 15222

Dear Mr. Palm:

This will confirm our understanding that a trade and craft employee in a steel producing operation or an iron ore operation working on a trade and craft job as defined in the CWS Manual shall be guaranteed 40 hours of pay per week at his SHWR so long as there are craft employees of contractors working in the plant on the same trade and craft functions and duties which would otherwise be performed by the employees for whom the guarantee is provided. This guarantee shall apply only to those trade and craft plant employees who receive less than 40 hours of pay in a week or who are on layoff and would otherwise perform the work so long as they are available for work.

The 40-hour guarantee provided by the preceding paragraph shall be extended to trade and craft helpers and to employees occupying maintenance non-craft jobs in Job Class 6 and above who would otherwise have been assigned to work with the trade and craft employees for those hours to which the 40 hour guarantee is applicable under the preceding paragraph.

*As set forth in the 1969 Incentive Arbitration Award.
Appendix D (Contd.)

An employee to whom the foregoing guarantee is applicable may be assigned to perform work in his craft or in the case of other employees to a job in the same job class or higher than the job to which the guarantee is applied at any location throughout the plant irrespective of seniority unit rules or practices. An employee who elects not to accept such an assignment shall not be eligible for the guarantees provided herein.

The number of employees protected by this guarantee shall not exceed the lesser of the number of contractor employees of similar skill and job content or, alternately, exceed the number of plant trade and craft employees and eligible maintenance non-craft employees who are working less than 40 hours plus the number who are on layoff. The recipients and distribution shall be determined by the local parties. Such guarantee shall not be applicable with respect to outside contractors' employees working in the plant on new construction, including major installation, major replacement and major reconstruction of equipment and productive facilities.

Any practice or local working condition requiring Management to retrieve work which has been contracted out shall be waived.

Notwithstanding the foregoing, nothing in this guarantee shall prevent Management from retrieving contracted out work.

Yours very truly,

/> T. W. Sterling
T. W. Sterling
Vice President
Employee Relations
Confirmed:

/s/ Andrew V. Palm

Andrew V. Palm
United Steelworkers of America

II. Letter Agreement on Work, i.e., "As Is, AO.3 Where Is"

February 1, 1994

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

Re: Letter Agreement on Work, i.e., "As Is, Where Is"

This will confirm our understanding that an "As Is, Where Is," sale of assets is a legitimate commercial transaction that is a business decision not designed to deprive bargaining unit employees of work assignments.

If such sale of assets involves the use of a vendor or contractor to perform a service (i.e., scrap preparation) and such assets are returned for the Company's use or sale as part of the transaction, such transaction shall be considered as contracting out and subject to the provisions of Section 2-C of this Agreement.

Sincerely,

/s/ T. W. Sterling

T. W. Sterling
Vice President
Employee Relations
Confirmed:

/s/ Andrew V. Palm
Andrew V. Palm
Chairman
USS Negotiating Committee
United Steelworkers of America

III. Letter Agreement on Finishing Work

February 1, 1991

Mr. Andrew V. Palm, Chairman
USX/USWA Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

In discussions leading to the revised contracting out provision of the February 1, 1987 Agreement, the Union stressed that the underlying purpose of this provision is to preserve and enhance employment opportunities for its members and prevent the erosion of the bargaining unit. For its part, the Company stressed that to maximize employment opportunity, it must be able to satisfy customer-originated demands with respect to steel quality, product specifications, delivery and other production-related matters.

This letter reflects an understanding reached by the parties to address these concerns.

It is agreed that beginning May 1, 1987 Section B-2-b of the contracting out clause will be deemed to include the following additional language: Finishing work may be contracted out for performance outside

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the plant if the Company can conclusively demonstrate that contracting out of the work in question (1) would, on balance, provide more work and employment opportunities than if the work was not contracted out and (2) such contracting out is necessary to meet a customer-originated demand relating to quality, product specifications, delivery requirements or other production-related matters.

Sincerely,

/s/ T. W. Sterling
T. W. Sterling
Vice President
Employee Relations

Confirmed:

/s/ Andrew V. Palm
Andrew V. Palm
United Steelworkers of America

IV. Letter Agreement on Work Performed Inside the Plant

February 1, 1987

Mr. James N. McGeehan, Chairman
USX/USWA Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. McGeehan:

In discussions leading to the revised contracting out provision of the February 1, 1987 Agreement, the parties reached the following understanding with respect to the application of subparagraph B-1-b to certain work as to which the practice of contracting out was established between March 1, 1983 and April 1, 1985.

Accordingly, it is agreed that a special
rule will apply to production, service, all maintenance and repair work, all installation, replacement and reconstruction of equipment and productive facilities, other than that listed in subparagraph B-1-c of the contracting out clause, as to which the consistent practice, established between March 1, 1983 and April 1, 1985, has been to have such work performed, within a plant, by employees of contractors in determining whether it is more reasonable to contract out such work, in addition to the eleven (11) factors set forth in paragraph C, in relevant circumstances, the fact that contracting out would result in less plant expenditures or greater economic efficiencies than doing the work with bargaining unit employees may be considered (including consideration of comparative labor rates).

If, however, the consistent practice to have such work performed, within a plant, by employees of contractors, was established after April 1, 1985, then the plant expenditures — economic efficiencies factor referred to in the preceding paragraph shall not apply. Instead, the provisions of paragraph C shall apply in the determination of reasonableness.

Very truly yours,

/s/ J. Bruce Johnston
J. Bruce Johnston
Executive Vice President
Employee Relations

Confirmed:

/s/ James N. McGeehan
James N. McGeehan
United Steelworkers of America
APPENDIX E
MEMORANDUM OF UNDERSTANDING
ON INCENTIVES

Memorandum of Understanding Concerning AE.1
Incentive Arbitration Award

The Memorandum of Understanding Concerning the Incentive Arbitration Award, dated August 18, 1969, shall be continued in effect for the duration of this Agreement. Such Memorandum and the Award are set forth in the February 1, 1991 Basic Labor Agreement.

APPENDIX F
MEMORANDUM OF UNDERSTANDING
ON TESTING

The September 1, 1965 Agreement provided AF.1 that the parties would conduct a study on the subject of Testing. The results of that study led to a special agreement on Testing, identified as Appendix F of the August 1, 1968 Agreement. Based on the experience of the parties with that Appendix, the parties have agreed to certain revisions and hereby provide for the following:

1. While the Union preserves fully its right to AF.2 challenge through the complaint and grievance procedure the present or future use of tests, the Union and the Company agree that where tests are used by the Company as an aid in making determinations of the qualifications of an employee, such a test must in any event be a job-related test. A job-related test, whether oral, written or in the form of an actual work demonstration, is one which measures whether an employee can satisfactorily meet the specific requirements of that job including the ability to absorb any training which may necessarily be provided in connection with that job. A written test may not be used unless
the job requires reading comprehension, writing or arithmetical skills, and may be used to measure the comprehension and skills required for such job.

2. In the case of manning new facilities, transfers from one agreed-upon seniority area to another and transfer from one plant to another, the parties have agreed in specific provisions of the seniority section of the Basic Agreement that an employee may be required to have the ability to progress. To the extent that such a requirement is applicable, the parties agree that an employee may be tested as an aid in determining whether he can qualify for the job he is seeking and, in addition, is likely to become qualified to perform the next higher job in the line of progression or promotional sequence. Such testing shall be job-related as described above and specifically directed toward measuring the actual knowledge or ability that is a prerequisite to becoming satisfactorily qualified on the next higher job in the line of progression or promotional sequence taking into consideration the normal experience acquired by employees in such promotional sequence.

This provision is subject to the provisions in Subsections 13-M, 13-N, and 13-O-1, 2 or 3 of this Agreement.

3. All tests shall be:
   a. Fair in their makeup and in their administration;
   b. Free of cultural, racial or ethnic bias.

4. Testing procedure shall in all cases include notification to an employee of his deficiencies and an offer to counsel him as to how he may overcome such deficiencies.

5. Where a test is used by the Company as an
Appendix F (Contd.)

aid in making a determination of the qualifications of an employee and where the use of the test is challenged properly in the grievance procedure, the following is hereby agreed to:

a. The Company will furnish to a designated representative of the International Union a copy of the disputed test and all such background and related materials as may be relevant and available.

b. All such tests and materials will be held in strictest confidence and will not be copied or disclosed to any other person; provided that such tests and materials may be disclosed to an expert in the testing field for the purpose of preparation of the Union’s position in the grievance procedure and to an arbitrator, if the case proceeds to that step. All tests and materials will be returned to the Company following resolution of the dispute.

c. Copies of transcripts and exhibits presented in the arbitration of cases involving the challenge to a test will also be held in strictest confidence and will not be copied or otherwise published.

6. In the determination of ability and physical fitness as used to fill apprenticeship vacancies in accordance with the applicable seniority provisions of the Basic Labor Agreement, the Company shall be limited to the use of such examinations and testing procedures which are:

a. job related,

b. fair in their makeup and their administration, and,

c. free of cultural, racial or ethnic bias.

Any tests used by the Company as an aid in
making determinations of the qualifications of an applicant must be job-related tests. A job-related test, whether oral, written or in the form of an actual work demonstration, is one which measures whether an applicant can satisfactorily meet the specific requirements of the given craft including the ability to absorb the appropriate training.

Testing procedures shall in all cases include notification to an applicant of his deficiencies and an offer to counsel him as to how he may overcome such deficiencies.

APPENDIX G

MEMORANDUM OF UNDERSTANDING ON EMPLOYMENT SECURITY PLAN

The parties recognize that employment security and productivity improvements must be inseparably linked in order for the Company to attain a level of sustained profitability. To that end, the parties conducted extensive discussions and analysis aimed at developing specific plans to more effectively utilize the acquired skills of employees, thereby improving the overall productivity of the Company. The parties have agreed in general terms to those subject areas to be addressed and to implementation procedures. These agreements are set forth in separate documents.

A. Effective Date

1. This Employment Security Plan (ESP) shall become effective at each plant for eligible employees, as defined in Paragraph C below, on August 1, 1999.

B. Guarantee

1. Employees eligible for this ESP may not be laid off during the term of this Agreement
Appendix G (Contd.)

except as provided below. If a disaster occurs, the ESP will be terminated. For the purpose of this agreement, disaster is defined as:

a. The permanent shutdown of a steel-producing plant.

b. The permanent shutdown of any other plant, but only as to employees of that plant.

c. A petition in bankruptcy for reorganization or liquidation is filed, and the Court finds that it is necessary to reject this Agreement and issues an order under the bankruptcy laws authorizing such rejection.

d. Severe financial difficulties short of bankruptcy filing. Such financial difficulties must represent a clear and present danger to the Company's viability. Disputes concerning this paragraph shall be subject to arbitration pursuant to a special emergency procedure to be agreed upon by the parties. Termination can occur under this paragraph only by mutual agreement of the parties or upon a finding by the arbitrator that the financial difficulty asserted by the Company does in fact represent a clear and present danger to the Company's continued viability.

2. In addition, in the event of a strike, or work stoppage by employees covered by the August 1, 1999 Basic Labor Agreement, the ESP will be suspended for the duration of such strike or work stoppage.

3. In addition, in the event of a breakdown or outage which is expected to last for four (4) weeks or more, the ESP may, by mutual agreement, be suspended for affected employees only, for the duration of the break-
Appendix G (Contd.)

down or outage.

4. In the event of a condition which results in AG.10 the cessation or a significant decrease in the level of operations of an operating unit, including but not limited to a breakdown, outage, a strike or work stoppage by others, a natural disaster, or lack of business, which lasts for six (6) months or more, affected eligible employees may be laid off but only until normal operations are restored. However, eligible employees on layoff solely due to such a condition will be eligible for the Special Weekly Benefit under new marginal paragraph 3.12 of the SUB Plan.

5. In addition, in the event of a significant AG.11 decrease in the level of plant operations which is expected to last less than six months, employees affected by the decrease in the level of plant operations and eligible for this ESP pursuant to Paragraph C below may, by agreement of the plant Leadership Committee, be temporarily scheduled on a thirty-two (32) hours a week basis. Any implementation issues or procedures that arise under this paragraph will be addressed by the plant Leadership Committee.

6. In the case of a permanent shutdown of a AG.12 department or a substantial portion of a department, layoffs will be permitted but only in accordance with the following:

a. The appropriate local parties shall AG.13 promptly meet and consider alternatives designed to provide employment to displaced employees, including assignment to non-traditional tasks, in accordance with agreed-upon procedures. Absent agreement, subsection b. shall apply.
b. Displaced employees in such departments or displaced employees on occupations traditionally, routinely, and regularly dedicated exclusively to such departments, and displaced maintenance employees who are displaced from their line of progression as a result of a shutdown of the department or a substantial portion of the department (as the term "substantial portion" has historically been understood by the parties), shall be entitled to displace junior employees in accordance with existing local seniority agreements and/or practices. Displaced employees, including those displaced as the result of the exercise of bumping rights referred to in this subparagraph, may be laid off and, if laid off, shall have no entitlement to the protections of this ESP, including the Special Weekly Benefit provided by Section 3.12 of the SUB Plan, until they are subsequently recalled and become eligible for such protections pursuant to the provisions of this ESP.

c. Any local agreement which provides a greater measure of employment security than is provided for under this ESP shall continue in full force and effect.

7. The guarantee provided to active eligible employees by this ESP, except as provided in paragraphs 4 and 5, is defined as the opportunity to earn forty (40) hours of pay (including hours paid for but not worked, work opportunities declined by the employee, disciplinary time off, absenteeism, report-off for Union business but excluding overtime penalty pay and premium pay), during any payroll week. An eligible employee on approved leave of absence or medically laid off during any payroll week
shall be considered as having been provided employment security during that week, it being understood that the pay, if any, that such an employee is entitled to receive while on approved leave of absence or medical layoff is that provided by applicable law or the labor agreement, not the earning opportunity set forth in the ESP.

C. Eligibility

1. All employees with at least two years of continuous service and who are active as of the effective date of this Plan are eligible for the protections of this ESP. An active employee, hired prior to August 1, 1999, who does not have at least two years of continuous service as of the effective date of this Plan shall be eligible for this ESP upon attaining two years of continuous service, unless he is on layoff at that time, in which case he shall become eligible when he returns to active employment. An employee, hired prior to August 1, 1999, with two years of service and who is inactive as of the effective date of this Plan shall become eligible for this ESP upon his return to active status. Employees who are laid off in accordance with Paragraph B.6. may become eligible for this ESP only when they return to work.

2. Any full-time employee hired after August 1, 1999 shall be eligible for this ESP under its provisions upon attaining three years of continuous service, unless he is on layoff at that time, in which case he shall become eligible when he returns to active employment.

D. Transfer to the Employment Security List

An employee who would have been laid off
but for this ESP shall be placed on the Employment Security List (ESL).

E. Job Assignments from the Employment Security List

The local parties at each plant have reached agreement on the placement of employees who would have been laid off but for this ESP. Those agreements, as set forth at Appendix U of the February 1, 1994 Settlement Agreement, are made part of this ESP, and may not be changed except as agreed to by the plant Leadership Committee.

F. Rate of Pay from Employment Security List

An employee transferred to the Employment Security List shall receive, while performing work on an Employment Security List assignment:

1. the established rate of pay, including applicable incentives, of the job performed, or

2. in the case of an assignment not falling within the description of an established job, the rate of pay determined by the plant Leadership Committee; however, where the plant Leadership Committee is unable to reach agreement, the rate of pay for such an assignment shall be the standard hourly wage rate for the job with the lowest classification in the plant.

G. Voluntary Layoff Practices and Agreements

1. Existing practices, agreements, or working conditions which permit voluntary layoffs that were continued or entered into pursuant to Section E or G of the 1994 ESP will be continued. Future agreements permitting voluntary layoffs may only
only be entered into by the plant Leadership Committee. An employee who elects to be laid off pursuant to a voluntary layoff agreement will not be eligible for the Special Weekly Benefit provided by the new marginal paragraph 3.12 of the SUB Plan. In addition, no employee will be permitted to become entitled for a Rule-or-65 or 70/80 pension as a result of any voluntary layoff agreement. However, no employee who elected voluntary layoff shall be disqualified from or lose accrual toward a Rule-of-65 or 70/80 pension by reason of the preceding sentence if, while he is on such layoff, a triggering event occurs which precludes his return to active employment.

H. Existing Rights
1. Except as expressly provided in this ESP, nothing in the ESP shall interfere with, limit, detract from, or adversely affect in any way the rights and obligations of the parties set forth in other provisions of the Basic Labor Agreement. Moreover the 1994 SUB Plan, as revised, and Earnings Protection Plans will continue for the duration of the August 1, 1999 Basic Labor Agreement.

APPENDIX H
MEMORANDUM OF UNDERSTANDING ON PRODUCTIVITY

The parties recognize that employment security and productivity improvement are inseparably linked to attaining sustained profitability and in reaching this Understanding must address these issues in balance and relationship to each other. Accordingly, the parties agree to jointly develop means by which to maximize the effective utilization of the
work force and equipment and achieve continuous improvement through attrition and by implementing new and innovative approaches to the way work is performed.

1. Beginning with the effective date of the August 1, 1999 Basic Labor Agreement, employment security, pursuant to the terms of Appendix G, shall become effective.

2. To accomplish gains in productivity and take advantage of attrition to the fullest extent possible, the plant Leadership Committee should work vigorously to institute modern work practices which can include, but are not limited to, self-directed work teams, job restructuring, installation of equipment tender and/or operator technician positions, seniority unit restructuring, job assignment changes, operator-assisted maintenance, elimination of jurisdictional barriers and practice and scheduling changes.

3. This process will be managed by a Joint Implementation Committee, which will be established by and report its recommendations to the Plant Leadership Committee. The Plant Leadership Committee may adopt, modify or reject such recommendations. No recommended changes may be implemented except by approval of the Plant Leadership Committee. The Joint Implementation Committee shall consist of three representatives of the Union and three representatives of the Company.

4. The Joint Implementation Committee may call upon Area Committees (or such similar departmental committees which may exist) to facilitate changes agreed to pursuant to Sections 2 and 3, to avoid backfilling attrition vacancies.
Appendix I

Such Area Committees will have a duty and responsibility to work in good faith, consistent with this Memorandum, to facilitate the attrition-based force reductions and drive continuous improvement through the establishment of measurements of performance and productivity goals. Goals will be based on meeting the competitive challenge from traditional-integrated and market-based nonintegrated competitors.

5. In November of each year, the Joint Implementation Committee shall provide to each Area Committee attrition projections for the coming year and shall develop a proposed attrition rate reduction plan and the respective measurements of performance and submit them to the Plant Leadership Committee. The Plant Leadership Committee may adopt, modify or reject such proposed plans and measurements, and no plan may be implemented except by approval of the Plant Leadership Committee.

6. The pace of workforce reduction will be continuously monitored by the Joint Implementation Committee. On or about October 1 of each year, an assessment will be made of the attrition reductions to date. In the event that attrition is occurring at a rate which will substantially exceed or fail to reach any goals adopted pursuant to this Memorandum, the parties will modify the attrition reduction plan for the following year.

APPENDIX I
MEMORANDUM UNDERSTANDING ON THE REVITALIZATION OF TRADE AND CRAFT TRAINING

The parties are committed to the establishment and preservation of a highly skilled,
Appendix I (Contd.)

efficient maintenance work force in sufficient number to carry out a successful maintenance program at the plants covered by the Basic Labor Agreement. It is also their purpose to accomplish the foregoing as much as possible with bargaining unit employees and without excessive overtime.

A. Maintenance Plan Committee

Within six (6) months of the effective date of the Basic Labor Agreement, the local parties will establish a plant-level Joint Maintenance Plan Committee ("JMPC") made up of three (3) representatives designated by the local union, at least two (2) of whom shall be experienced plant maintenance employees, and an equal number of representatives designated by the Company, at least two (2) of whom shall be experienced in maintenance supervision or maintenance management. The JMPC will meet regularly and will receive required technical assistance from appropriate Company or Union resources.

B. Study of Maintenance Work Force

The Committee will be responsible for examining the present maintenance work force considering such future changes in maintenance requirements that can be identified and developing the specific information described below:

1. Determine the numbers of maintenance employees in each trade or craft whether Assigned Maintenance or Central Maintenance;
2. Develop an age profile for all craft employees;
3. Assess the anticipated attrition rates for the maintenance work force over the next five (5) years;
4. Assess the availability of employees in the
Appendix I (Contd.)

plant's work force who are qualified to enter craft training programs;
5. Identify potential avenues by which employees can receive basic education training to qualify for craft training programs;
6. Evaluate the appropriateness of existing and new craft training programs and the necessity of developing additional craft training programs, giving due consideration to changing technology and future skill needs. Recommend changes to standards, type and length of training as appropriate;
7. Examine current craft overtime levels and assess whether certain crafts are working excessive overtime;
8. Examine methods by which productivity can be improved through additional training of craft employees;
9. Examine the plant's projected new construction, replacement and rehabilitation program during the next five years, recognizing that such programs are susceptible to termination, modification, and scheduling change, and assess potential craft involvement in such work.
10. To the extent practicable and relevant, assess the maintenance practices and maintenance training practices at the plant under this review versus those of other steel producers represented by the Union;
11. Assess the level of plant trade and craft forces necessary to meet reasonably anticipated long-term future maintenance needs bearing in mind all the above items.

The Study will commence immediately upon the establishment of the Committee.
C. Maintenance Training Plan

Within six (6) months from the date of its establishment, the JMPC will submit a report to the Chairmen of the Company and Union Negotiating Committees setting forth its findings with respect to the matters set forth in Section B. In addition, the JMPC will develop a recommendation for implementation of a Maintenance Training Plan ("MTP") designed to fill anticipated maintenance needs. The recommended MTP will include an implementation date, the minimum number of employees to be trained or retrained in each trade or craft within a defined period, the method of training, and provisions for upgrading the skills of incumbent trade or craft employees. In developing the MTP, the following guidelines/goals shall apply:

1. Provide sufficient numbers of trained trade and craft employees to meet reasonably anticipated attrition and long-term future maintenance needs without the use of excessive overtime, in accordance with the contracting-out provisions of the BLA, in light of modern work practices that have been agreed upon and recognizing the parties' commitment to continuous productivity improvement, as outlined in Appendix H. ["Productivity"]

2. Make every reasonable effort to draw qualifiable trainees for trade and craft occupations from the ranks of the current workforce.

3. Complete training as quickly as feasible consistent with the actual requirements of the trade or craft job, as determined by the Chairmen of the Company and Union Negotiating Committees, and giving due consideration to the cost of such training.
The JMPC report will include separate statements by the parties with respect to any finding or recommendation to which they disagree.

D. Action by the Chairmen of the Company and Union Negotiating Committees

Within sixty (60) days of receipt of the report submitted by the JMPC, the Chairmen of the Company and Union Negotiating Committees may: (1) approve an agreed-upon MTP submitted by the parties; (2) modify any MTP as they may mutually agree; or, (3) disagree, in whole or in part, with respect to any recommendations contained in a submitted MTP. With respect to any MTP components as to which the Chairmen of the Company and Union Negotiating Committees disagree, the dispute will be promptly referred to the Board of Arbitration (or such other Neutral as may be agreed upon by the Company's General Manager, Labor Relations, and the Union's Director of Collective Bargaining Services) pursuant to procedures to be agreed upon by the Chairmen of the Company and Union Negotiating Committees. The dispute will be resolved on the basis of a "final offer" submission by the parties at a hearing. The Board (or other Neutral) will determine which of the submissions best meets the guidelines and goals spelled out in Section C of this Memorandum of Understanding. The Board (or other Neutral) shall have the power to determine the procedures pursuant to which the hearing is conducted.

E. Preservation of Plan

Except where the training or continued training of additional trade and craft employees
is no longer justified due to changed conditions such as depressed economic periods and/or facility shutdowns, the MTP shall not be discontinued during the term of the Basic Labor Agreement.

APPENDIX I-1
LETTER AGREEMENT ON TRADE AND CRAFT REVITALIZATION STUDY
February 1, 1994

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

This will confirm our understanding that the jobs of Mechanical and Electrical Repairman at the Clairton and Edgar Thomson plants and the jobs of Maintenance Utilityman and Mechanical Repairman at the Fairfield Works will be included in the study referred to in Appendix I (Memorandum of Understanding on the Revitalization of Trade and Craft Training).

Very truly yours,

/s/ T. W. Sterling
T. W. Sterling
Vice President
Employee Relations

Confirmed:

/s/ Andrew V. Palm
Andrew V. Palm
United Steelworkers of America
Appendix 1-2

APPENDIX 1-2
LETTER AGREEMENT ON REVITALIZATION OF TRADE AND CRAFT TRAINING

August 1, 1999

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

This letter will confirm the understandings reached during the negotiation of the 1999 collective bargaining agreement concerning trade and craft training.

A. Renewal Of Commitment To Revitalization Of Trade And Craft Training

The local parties hereby renew their commitment to the revitalization of trade and craft training. Within thirty (30) days following the effective date of this agreement, the local parties shall meet to discuss whether to continue or modify their existing arrangements concerning trade and craft training for the life of the current agreement or, instead, to undertake the process set forth in Appendix I, including I-1.

Should the existing or modified arrangements address ongoing maintenance needs expected during the life of this Agreement, the parties may, with the written approval of the President of the Local Union and the Chairman of the Union Negotiating Committee, approve such arrangements. Should the existing arrangements not be explicitly continued or
modified, the parties shall undertake the process set forth in Appendix I, including I-1.

B. Pre-Trade And Craft Training Programs

Regardless of the outcome of the discussions held pursuant to A above, the following program shall be established at plants of the Company effective January 1, 2000:

1. To ensure that non-trade and craft bargaining unit employees have a reasonable opportunity to take advantage of trade and craft training programs, pre-trade and craft training programs ("PTCT Programs") will be made available. These PTCT Programs will provide employees with the opportunity to acquire the skills and knowledge necessary to qualify for the trade and craft training programs that exist or as may be developed. These PTCT Programs will meet the following minimum criteria:

a) entrance to the PTCT Programs will be determined by a plant-wide posting and selection process conducted in the same manner as that described in Section 13-0-3 of the Basic Labor Agreement. No incumbency rights will be gained or lost solely as a result of participation in a PTCT Program;

b) employees selected in accordance with sub-paragraph a) above, will, as a condition of
Appendix 1-2 (Contd.)

entrance to a PTCT Program, be required to demonstrate that they possess the reading comprehension, writing, and mathematics skills required to absorb the particular training to be offered. Such demonstration may be in the form of tests developed and administered by the Company in accordance with Appendix F of the Basic Labor Agreement;

c) while the length of participation in a PTCT Program will vary based on the individual needs of the employee and the nature of the particular PTCT Program, employees will be afforded up to 400 hours of training if needed;

d) after an employee enters a PTCT Program, progress will be periodically evaluated and the employee must demonstrate continuous progress in order to remain in the PTCT Program. No employee in a PTCT Program will be removed from that PTCT Program before being notified of any deficiency, given an opportunity for remedial training to overcome such deficiency, and provided a second opportunity to meet program requirements. Time taken for such remedial training will be included in the 400 hours described in sub-paragraph c)
Appendix 1-2 (Contd.)

above;
e) time spent by employees in PTCT Program training will be on Company time and paid for at the standard hourly wage rate of Job Class 6. Up to fifty percent of the OCTF funds generated at any plant (and any other available training funds) will be allocated to reimburse the Company for such PTCT Programs at that plant including amounts paid employees pursuant to this sub-paragraph e).

2. Commencing with calendar year 2000, the Company will provide opportunities for entrance into PTCT Programs at the rate of 50 employees per full calendar year. The opportunities will be prorated among the plants of the Company based upon the future needs for trade and craft employees at each plant as determined by the Maintenance Training Plan or as otherwise agreed upon by the Chairmen of the Union and Company Negotiating Committees.

3. Should the Union at any plant believe that the Company has failed to comply with the terms of this letter agreement, the Chairman of the Grievance Committee may file a grievance directly in Step 2 of the complaint and grievance procedure. Such grievance, if appealed to the Board of Arbitration, shall be expedited by the Board to ensure
that the PTCT Program is not unduly delayed by the resolution of the dispute.

4. It is understood that in the event that there are more applicants than the opportunities described in paragraph B-2 above, the parties will conduct a review of the facts to determine whether or not to increase the number of opportunities. Any such increase is to be implemented only upon mutual agreement of the Union and Company Co-Chairmen of the respective Negotiating Committees.

Very truly yours,

/s/ T. W. Sterling

T. W. Sterling
Vice President
Employee Relations

Confirmed:

/s/ Andrew V. Palm

Andrew V. Palm
United Steelworkers of America

APPENDIX J

MEMORANDUM OF UNDERSTANDING ON GRIEVANCE AND ARBITRATION

The following understandings have been agreed to:

1. On a quarterly basis the Company shall transmit to a headquarters representative of the International Union available reports containing the statistics of the grievance procedure at each plant and at each step
of the grievance procedure above Step 1 including expedited and permanent arbitration.

2. A copy of the Company's statistical record AJ.3 concerning the experience at each plant which utilizes the expedited arbitration procedure provided in this Agreement shall also be furnished to the Union on a quarterly basis. The record shall include the plants at which such expedited procedure is being utilized, the names of the arbitrators selected thereunder, the number of cases handled, average number of cases heard per hearing, and average cost per case.

3. The Companies represented in the Coordinating Committee Steel Companies and the International Union shall designate a Joint Committee consisting of not more than five members of each party which shall meet periodically for the purpose of reviewing the experience of the Companies and the Union under the expedited arbitration procedure. The Committee shall prepare a report including the results of their review, problems which should be considered, and any recommendations with respect to such problems.

4. Agreement Regarding Special Grievance Review Committee

The Company and the International Union agree to designate a headquarters representative to serve as a Special Grievance Review Committee in relation to the workings of the grievance and arbitration procedure at each of the plants of the Company represented by the Union. Such Committee will have the following duties and powers:
a. It will conduct a monthly review of cases appealed to the regular arbitration procedure to see whether any such cases shall be referred for handling through expedited arbitration.

b. It will periodically examine the records of performance of the grievance and arbitration procedure for the Company and each of its plants; in no event will such review be held less than quarterly.

c. It will review the pending grievance load wherever it finds that backlogs or delays have developed or threaten to frustrate prompt settlement of employee complaints and grievances. Such review can include any or all of the following:

(1) Examination of the causes for the backlog or delays;

(2) Review of specific grievances with the right by agreement of the members of the Committee to refer them to be handled through expedited arbitration by the local parties with a timetable the Committee deems to be appropriate.

d. It will review allegations of repeated violations of the Labor Agreement. Specifically, where the local union alleges repeated violations of a provision of the Labor Agreement for which the only remedy would be a cease and desist order, the chairman of the grievance committee shall notify the Company Step 2 representative and they will review the allegations together in an attempt to resolve the problem. If they are unable to resolve the matter within a reasonable period of time, either party may request the Committee to review the allegations. The Committee may make a
joint recommendation to the local parties and this recommendation may include a cease and desist order or an appropriate monetary remedy.

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

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

5. Agreement Regarding Processing of Discipline Grievances

It is recognized that it is in the best interest of Management and employees to resolve grievances concerning discipline as promptly as practicable. Toward that end we agree to the following:

a. Where grievances concerning written reprimands or suspensions of five days or less are to be arbitrated, they shall be arbitrated in the expedited arbitration procedure unless appropriate representatives of the parties agree that such a grievance should be arbitrated in the regular arbitration procedure; provided, however, that where grievances concerning any discipline involving concerted activity or multiple grievances arising from the same event are to be arbitrated, they shall be arbitrated in the regular grievance procedure.

b. Where grievances concerning suspen-
sions of more than five days or discharge are to be arbitrated, they shall be arbitrated in the regular arbitration procedure; provided, however, that each of the Coordinating Committee Steel Companies shall provide that such grievances will be docketed, heard, and decided within 60 days of appeal unless the Board or permanent arbitrator determines that circumstances require otherwise.

c. Notwithstanding the foregoing, appropriate representatives of the parties may agree that grievances concerning suspensions of more than five days or discharge may be arbitrated in the expedited arbitration procedure.

d. To assure proper implementation of this understanding, the representatives of each Company and the International Union shall make whatever arrangements are necessary toward this end and shall be empowered to make alternative arrangements as to any location where it is concluded that expedited arbitration is not available.

6. Agreement Regarding Processing of Vacation Scheduling Grievances and Grievances Concerning Sections 2-A-3 and 2-A-4

Vacation scheduling grievances and grievances involving alleged violations of Sections 2-A-3 and 2-A-4 will be processed in the expedited arbitration procedure unless specific grievances are excluded therefrom in writing by a designated representative of the Company’s Headquarters staff or a designated representative of the International Union because such grievances involve significant questions of contract interpretation.
APPENDIX J-1
LETTER AGREEMENT ON BACK PAY
CALCULATIONS UNDER SECTION 8-D

March 1, 1983

Mr. Lloyd McBride, President
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. McBride:

This letter is to confirm our understanding that hereafter in applying Section 8-D of the U. S. Steel Agreement and its counterpart provisions in agreements with other Coordinating Committee Companies no deduction from back pay awards or settlements under Section 8-D shall be made for governmental assistance (excluding unemployment compensation and any similar payments), welfare, Trade Readjustment Allowance benefits, or private charity received by an affected employee, except that, in calculations made in accordance with Section 13-P, Trade Readjustment Allowance benefits will be deducted. This understanding shall also be effective for any grievance or arbitration case now pending, and shall be without prejudice to the respective positions of the parties in disputes concerning any matter not covered in this letter.

Very truly yours,

/s/ J. Bruce Johnston
J. Bruce Johnston
For the Coordinating Committee Steel Companies

CONFIRMED:

/s/ Lloyd McBride
Lloyd McBride, President
United Steelworkers of America
APPENDIX J-2
MEMORANDUM OF UNDERSTANDING
ON JUSTICE AND DIGNITY
ON THE JOB

The following understandings have been reached for a Procedure for Justice and Dignity on the job applicable to discharge and suspension cases only.

1. Management, after converting a disciplinary suspension to discharge, or imposing a suspension, shall not remove the affected employee from active work on the job to which his seniority entitles him upon such conversion or imposition prior to a final determination of the merits of the discharge or suspension in accordance with the applicable provisions of the Basic Labor Agreement should the employee elect to file a complaint or grievance protesting Management's decision. For purposes of the operation of the option not to be removed from the job pursuant to this Procedure, a complaint or grievance protesting a discharge or suspension must be filed within five (5) calendar days after notice of the conversion to discharge or imposition of the suspension, as the case may be. In the event no complaint or grievance is filed within such time limit, the Company will not suspend or remove the affected employee from active work on the job to which his seniority entitles him prior to the day following the expiration of the time limit set forth in this paragraph. For any purpose other than operation of the option set forth above, the time limits for filing a complaint or grievance protesting a discharge or suspension shall continue to be those set forth in the Basic Labor Agreement.
2. The parties recognize that it is essential that a proper balance be maintained between the right of an employee to be retained under this Procedure and the right of Management to manage the plant. Accordingly, to insure that balance, this Procedure will be inapplicable to discharges or suspensions involving any offenses which endanger the safety of other employees or members of supervision or the plant and its equipment. Such offenses shall include, but are not limited to: theft; use and/or distribution on Company property of drugs, narcotics, and/or alcoholic beverages; possession of firearms on Company property; destruction of Company property; threatening bodily harm to, and/or striking, a member of supervision; fighting; and such insubordination as endangers the safety of other employees or members of supervision or the plant and its equipment. In addition, this Procedure will be inapplicable to a discharge or suspension involving activity prohibited by the provisions of Section 4-3 of this Agreement, and to any violation of the terms of a last chance agreement.

3. When an employee is retained pursuant to paragraph 1, and the employee's discharge or suspension is finally determined in the grievance procedure or in arbitration to be for just cause, the removal of the employee from the active employment rolls shall be effective for all purposes the day following the date of final resolution of the grievance.

4. While a discharged employee is retained at work pursuant to paragraph 1 and the employee is discharged again for a repeat of the same conduct, the employee will no longer be eligible to be retained at work.
under these provisions. Such removal from work will be effective on the day of the subsequent suspension.

5. Nothing in this Procedure shall restrict or expand Management's right to relieve an employee for the balance of such employee's shift under the terms of the Basic Labor Agreement.

APPENDIX J-3

MEMORANDUM OF UNDERSTANDING
ON THE EXPEDITED ARBITRATION PROCEDURE

Notwithstanding any other provision of this Agreement, the following understandings have been reached regarding the expedited arbitration procedure.

1. Each local union grievance committee may elect to expand the types of grievances subject to the expedited arbitration procedure by adopting one of the following:
   a. All grievances involving discipline, except those including discharge or discipline for concerted activity, will be processed under the expedited arbitration procedure.
   b. Unless otherwise mutually agreed by the parties, all grievances will be processed under the expedited arbitration procedure, including those specified in paragraph a, above, but not including cases involving wage matters (e.g., incentives and rate of pay matters), job eliminations, job combinations, testing, severance allowance, contracting out matters, significant safety and health matters, seniority, Consent Decree matters, discrimination matters and the
benefits agreements.

2. The chairman of the grievance committee shall notify the Company’s Step 2 representative in writing not later than June 1, 1991 of which option, if either, the local grievance committee has selected.

3. The option selected will be in effect for one year following June 1, 1991. By notice in the form described in 2, above, and given no later than June 1 of each succeeding year, the local union shall have the ability to change or renew the option selected with such change or renewal being effective for one year commencing June 1. Accordingly, if the local grievance committee selected a. or b. above, and it decides to pursue a grievance beyond Step 2 that falls within the purview of the option selected, that grievance shall be appealed to expedited arbitration within ten (10) calendar days of receipt of the Step 2 minutes and handled in accordance with Section 7-B of the Basic Labor Agreement.

4. In the event of a dispute regarding the appropriate procedure for disposition of a grievance under this provision, the appropriate Step 3 representatives will promptly meet and decide the issue.

5. Grievances will be processed in expedited arbitration in accordance with the option, if any, in effect as of the date that the matter is filed in writing with the Company in accordance with the provisions of Section 6.
APPENDIX J-4
MEMORANDUM OF UNDERSTANDING
ON 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 August 1, 1999 Basic Labor Agreement.

1. Except as provided for in Appendix J-5, 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 Third Step 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’s Headquarters Labor Relations staff, and the plant manager of labor relations or his representative.

6. The Company, Union and screening arbitrator will review and analyze the issues presented by each grievance in an effort to fully determine its merit or lack of merit.

7. The screening arbitrator will immediately advise the parties as to his interpretation of the issues presented and as to how he would decide the case if such case were presented in 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.

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.

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

APPENDIX J-5
MEMORANDUM OF UNDERSTANDING
ON IMPLEMENTATION OF THE
GRIEVANCE SCREENING
PROCEDURE

During the course of negotiations leading to the February 1, 1991 Basic Labor Agreement, it was recognized 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 J-4 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.

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 J-4 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 J-4 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.
The logistics surrounding the implementation of the screening procedure at each location will be agreed to by a designated representative of the Company's Headquarter's Staff and a designated representative of the International Union. Where appropriate, the parties may agree to pre-screening procedure meetings wherein matters such as the types of issues involved and opportunities for settlement may be discussed.

APPENDIX K
MEMORANDUM OF UNDERSTANDING ON SAFETY SHOE ALLOWANCE

The following understanding has been agreed to regarding safety shoe allowances:

1. Memorandum of Understanding on Safety Shoe Allowance

On August 1, 1999, each active employee, other than a probationary employee, will be provided an allowance of $80.00 to purchase safety shoes for his wear at the plant. On August 1, 2001, each such employee who on that date has one year of continuous service shall receive an allowance of $80.00 to purchase safety shoes for his wear at the plant. On August 1, 2003, each such employee who on that date has one year of continuous service shall receive an allowance of $80.00 to purchase safety shoes for his wear at the plant. This benefit is in lieu of and supersedes any local practice or agreement to pay for shoes or metatarsals except where the employees elect to retain the existing practice or agreement, and except where the Company is required by law to pay for such shoes and metatarsals.
2. Letter Agreement on Safety Shoe Allowance

August 1, 1999

Mr. Andrew V. Palm, Chairman
Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, Pa. 15222

Dear Mr. Palm:

This will confirm our understanding that any employee who on August 1, 1995 or August 1, 1997 was eligible to receive a safety shoe allowance pursuant to Appendix K of the February 1, 1994 Basic Labor Agreement, but was not paid such allowance because he was then in inactive status, will receive payment of an allowance when he returns to active employment. However, an employee shall in no event be entitled to more than one such allowance in any calendar year during the term of the August 1, 1999 Basic Labor Agreement.

Very truly yours,

/s/ T. W. Sterling
T. W. Sterling
Vice President
Employee Relations

CONFIRMED:

/s/ Andrew V. Palm
Andrew V. Palm
United Steelworkers of America
APPENDIX L
MEMORANDUM OF UNDERSTANDING ON CARBON MONOXIDE CONTROL PROGRAM

The Company recognizes that the steel producing and finishing processes require equipment that can produce carbon monoxide gas in dangerous concentrations under certain circumstances of accidental release. In order to minimize the potential for accidental release of blast furnace gas and other gases containing carbon monoxide, the Company shall complete a comprehensive survey at each of its plants at the earliest possible time. The survey, to be conducted by Industrial Hygiene, Safety and other personnel as necessary, shall list locations from which, on the basis of experience or other information, significant amounts of carbon monoxide are likely to escape, the conditions which might cause such a release and the steps necessary to minimize or control the hazard. The survey will be updated whenever significant changes are made to the gas-handling system or procedures.

The Company shall implement in a timely manner consistent with the hazards a reasonable program for the control of carbon monoxide which shall include but not be limited to the following:

1. A reasonable time schedule for the implementation of the steps necessary to eliminate or control the hazard as identified in the survey;
2. Evaluation and, where necessary, amendment of safe job procedures for gas system maintenance programs with respect to equipment whose failure might result in exposure to dangerous concentrations of
carbon monoxide. Copies of these procedures shall be included in the control program;

3. Installation of adequate automatic carbon monoxide sensing devices equipped with alarms and use of portable carbon monoxide monitors where necessary to protect employees whose work assignments so require. Monitors, alarms and other parts of the detection and warning system shall be tested on a periodic basis sufficiently frequent to insure reliable operation. The control program shall include a general description of the location of the sensing devices and the general circumstances under which portable detectors shall be used and the frequency for periodic testing of the monitoring system;

4. Assignment of responsibility for the maintenance, inspection, and use of gas testing equipment and investigation of sources of gas when the automatic alarms are actuated;

5. Provision of an adequate number of approved breathing apparatus appropriate for emergency operations and escape in locations readily accessible to employees. The program shall include a description of the types of breathing apparatus and their locations as well as the identification of responsibility for checking and maintaining the devices;

6. Training of employees in recognition of the hazards and symptoms of carbon monoxide poisoning. Such training shall be within the framework of existing safety training programs after review of such programs and supplementation as required. As part of this training, employees shall be in-
structured in escape and emergency rescue procedures. A detailed outline of the training procedures shall be included in the programs;

7. Posting of emergency escape procedures in areas of potential hazard;

8. An emergency rescue program which shall include provisions for treatment of carbon monoxide exposures, emergency rescue techniques for various parts of the plant, and appropriate rescue and recovery equipment including resuscitators. The program shall include identification of the employees trained in emergency rescue techniques.

Fact-finding investigations will be made of carbon monoxide incidents which result in employee illness (defined as carboxyhemoglobin levels related to substantial exposure), or which involve substantial accidental releases of carbon monoxide. A report of the incident will be included with the carbon monoxide control program.

On a periodic basis, the joint safety and health committee will conduct a review of the plant carbon monoxide control program. These reviews shall be conducted by the committee during its regularly scheduled meetings.

A copy of the carbon monoxide control program or any portions thereof and any revisions shall be provided upon request to the Union co-chairman of the safety and health committee and the International Union Safety and Health Department.
APPENDIX M

LETTER AGREEMENT ON VACATION ENTITLEMENT

August 1, 1999

Mr. Andrew V. Palm
Chairman-Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

This is to confirm our understanding that for the purpose of determining the length of vacation to which an employee is entitled under Section 12-B-1 of the August 1, 1999 Basic Labor Agreement, an employee who sustained a break in basic labor agreement continuous service after January 1, 1980 and who was rehired or recalled prior to February 1, 1994, shall be credited not only with his current basic labor agreement continuous service but also with the basic labor agreement continuous service which he had at the time of the break in his basic labor agreement continuous service.

Yours very truly,

/s/ T. W. Sterling
T. W. Sterling
Vice President
Employee Relations

CONFIRMED:

/s/ Andrew V. Palm
Andrew V. Palm
United Steelworkers of America
APPENDIX N

MEMORANDUM OF UNDERSTANDING
ON THE INSTITUTE FOR CAREER DEVELOPMENT

In recognition of the worldwide competitive challenges that confront the Company and the entire workforce, the Union and the Company have established an innovative and important venture for training and educating workers - the USWA/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”).

The purpose of the Institute is to provide support services for the education, training and personal development of the employees of the Company. This will include upgrading the basic skills and educational levels of active employees in order to enhance their ability to absorb craft and non-craft training, their ability to progress in the workplace, their ability to perform their assigned work tasks to the full extent of their potential, and their knowledge and understanding of the workplace, and of new and innovative work systems. This will also include education, training and counseling which will enable employees to have more stable and rewarding personal and family lives, alternative career opportunities in the event that their steelworker careers are subject to dislocation, and long, secure and meaningful retirements.
In establishing this Institute the Union and the Company are implementing a shared vision that workers must play a significant role in the design and development of their jobs, their training and education, and their working environment. In a world economy many changes are unforeseen and unpredictable. Corporate success, worker security and employee satisfaction all require that the work force and individual workers be capable of reacting to change, challenge and opportunity. This, in turn, requires ongoing training, education and growth. Experience has shown that worker growth and development are stunted when programs are mandated from above but flourish in an atmosphere of voluntary participation in self-designed and self-directed training and education. These shared beliefs shall be the guiding principles of the USWA/USS Institute for Career Development.

Funding and Administration

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

The Company agrees to continue to participate fully as a member of ICD in accordance with the policies, rules and regulations established by the ICD. The Company's financial contributions to the 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.

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

**Reporting, Auditing, Accountability and Oversight**

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

1. **Reporting**

   For each calendar year quarter, and within 30 days of the close of such quarter, the Company shall account to the ICD, the International President of the Union and the Union Chairman of the Negotiating Committee for all changes in the financial condition of the
Appendix N (Contd.)

Institute. Such reporting shall include at least the following information for each such quarter:

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

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

2. Auditing

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

3. ICD Approval and Oversight

Each year, the Local Joint Com-
mittees shall submit a proposed training/education plan to the Union and Company Negotiating Committee Chairmen. Upon their approval, said plans shall be submitted to the ICD. ICD must approve the annual plan before any expenditure in connection with any activities may be charged against the funds provided for in this Institute. An expenditure shall not be charged against such funds until such expenditure is actually made.

Dispute Resolution Mechanism

Any dispute regarding the administration of the Institute at the Company or plant level shall be subject to expedited resolution by the Company and the Union Co-Chairmen of the Negotiating Committee and the Executive Director of ICD who shall apply the policies, rules and regulations of the Governing Board in ruling on any such dispute. Rulings of the Executive Director on any such dispute may be appealed to the Governing Board, but the Executive Director's ruling shall become and remain effective unless stayed or reversed by action of the Governing Board. Within 60 days of the effective date of this Labor Agreement the Union and the Company will develop such administrative procedures as are necessary for the operation of this expedited Dispute Resolution Mechanism, it being understood that the goal is to resolve disputes within no more than two weeks after the Dispute Resolution Mechanism is invoked.
APPENDIX N-1

LETTER AGREEMENT REGARDING THE UTILIZATION OF ICD FUNDS

February 1, 1994

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

In our discussions concerning the use of Institute for Career Development funds, the question was raised about using a defined surplus from those funds for job related/skill training in addition to the funds that will be provided under the new Overtime Control Training Fund.

The parties agree to review the utilization of ICD funds for the purposes specified in Appendix N to determine how that utilization can best be increased for programs covered by ICD funding, including but not limited to training under the cooperative partnership agreement and training for dislocated workers. Where appropriate, the parties will work with the ICD Advisory Board to develop guidelines for the use of ICD funds for such training. This review will take place within the first six months of the agreement.

Following the completion of the utilization review described above, the parties agree to discuss how to increase such utilization and whether it is appropriate to use defined amounts of ICD funds for job related training in addition to that provided under the Overtime Control Training Program.
Very truly yours,
/s/ T. W. Sterling
T. W. Sterling
Vice President
Employee Relations

Confirmed:
/s/ Andrew V. Palm
Andrew V. Palm
United Steelworkers of America

APPENDIX N-2
LETTER AGREEMENT REGARDING
ICD FUNDS

August 1, 1999

Mr. Andrew V. Palm
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

This is to confirm our understanding in connection with this Appendix N, that if for any reason the USS/USWA Institute for Career Development is terminated, or if the scope of the Institute is modified to the extent that all existing and committed funds are not required, the unused contributions and commitments shall be allocated to another employee benefit designated by the United Steelworkers of America, the choice of employee benefit to be subject to review with and approval by the Company, such approval not to be unreasonably withheld.
Very truly yours,
/s/ T. W. Sterling
Vice President
Employee Relations

Confirmed:
/s/ Andrew V. Palm
Andrew V. Palm
United Steelworkers of America

APPENDIX O
MEMORANDUM OF UNDERSTANDING ON PLANT CLOSINGS

The parties recognize the potential, far-reaching impact of permanent shutdowns of facilities, long term suspension of operations involving substantial layoffs, and the need to cooperate in attempting to lessen this impact. In the event of the permanent shut-down of a plant, or long-term suspension of operations involving substantial layoffs, subsequent to August 1, 1999, an Advisory Council consisting of Company and International representatives shall meet to initiate in appropriate circumstances the USS/USWA Career Continuation program to provide employee counseling, placement assistance, and such training as may be feasible, and to work jointly to seek support for such activities from federal, state, or local funds and/or programs that may be available. If such funds or programs are available, the Company and Union shall work jointly to secure such funds or assistance to provide: alternative job training and job search counseling for affected employees for job opportunities; counseling for affected employees
on available benefit programs and job opportunities within the Company and the area.

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

APPENDIX O-1
LETTER AGREEMENT ON JOINT TRAINING AND DEVELOPMENT

August 1, 1999

Mr. Andrew V. Palm, Chairman
Union Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, Pennsylvania 15222

Dear Mr. Palm:

It is acknowledged that the parties have already jointly designed, implemented and monitored a comprehensive program which provides for development support, skills training, retraining, job counseling and job search assistance to those USX Corporation employees who are on layoff status with no reasonable expectation of returning to work as a result of substantial layoffs and/or facility shutdowns. All employees affected in accordance with this provision after August 1, 1999 will be provided similar support and training. Funding for the comprehensive program was
achieved by significant Company cash contributions and in-kind services such as personnel, supplies, office space and equipment in support of this program. The Union has also provided significant in-kind services for the program. Through the joint efforts of the parties, grants from federal, state and local government agencies were obtained which supplemented the Company and Union contributions. It is the intent of both parties to continue with this commitment to provide as much assistance as feasible to all affected employees affected after August 1, 1999.

This will confirm our understanding that for the term of this Agreement, the Company will commit up to $300,000 per year. These funds shall be designated annually and be placed in escrow for disbursement when needed for such programs as may be required.

Should it be necessary to implement a Dislocated Workers' Program for employees affected after August 1, 1999, documented administrative costs incurred by the Union to secure federal and/or state grants not reimbursed from grant funds shall be reimbursed from escrowed monies up to $20,000. In addition, the Union will be reimbursed from escrowed monies documented administrative costs up to five percent of all monies expended from escrowed monies for Dislocated Workers' Program excluding administrative cost incurred by the Union to secure federal and/or state grants and excluding administrative costs incurred for development of Dislocated Workers' Program.

Within thirty (30) days of the date of this Agreement, the Chairmen of the Negotiating Committees will meet and appoint an Advisory Council consisting of three members each from the International Union and Company Head-
quarters. The Advisory Council is charged with the joint development and oversight responsibility of the USS/USWA Career Continuation program, which includes:

1. Development of philosophy and concepts regarding program and its extension, based on budget allocations to affected locations.

2. Development and approval of all proposals to obtain government and other external funding.

3. Preparation of public relations and related outreach activities to advise affected employees and community services of career continuation programs, needs, and opportunities.

4. Regular review of program participation and performance to assure optimum use by each center of allocated funds and available resources.

5. Appointment of local representatives to a program advisory committee which will assist center administrator in implementing plans and programs as recommended by the Advisory Council.

6. Recommendation of general policies as appropriate relative to staffing requirements and selection procedures.

7. A financial audit of funds allocated and expended on an annual basis.

Should there be a difference between the parties as to the interpretation and/or application of any of the provisions set forth in the foregoing or as set forth elsewhere in this Letter of Agreement or Appendix O “Memorandum of Understanding on Plant Closings” which cannot be resolved by the Advisory Council, the parties agree to the following procedure for resolution of such issues:
a. At such time as the parties conclude they cannot reach a suitable resolution, the matter shall be presented in writing to the Company and Union Chairmen of the Negotiating Committees within five days of such decision. The Chairmen will have ten working days to resolve the issue.

b. If the issue has not been resolved within the period stated above, the same may be submitted directly to the Board of Arbitration. The jurisdiction and authority of the Board in such issues as may be submitted for arbitration will conform to the provisions of 7-A-2, marginal paragraph 7.4.

The purpose of this agreement is to continue providing, in appropriate circumstances, a worker assistance program as set forth in the parties' Memorandum of Understanding on Plant Closings. In the establishment of a program of training or retraining, any funds acquired through federal, state and local assistance programs, such as Title III of the Job Training and Partnership Act (JTPA), Trade Readjustment Assistance programs (TRA), and the provisions of Trade and Tariff Act of 1984 providing for retraining programs, shall be designed to supplement the Company cash and in-kind contributions and the International Union's in-kind contributions as set forth in the foregoing letter of understanding.

Very truly yours,

/s/ T. W. Sterling

T. W. Sterling
Vice President
Employee Relations

Confirmed:

/s/ Andrew V. Palm

Andrew V. Palm
United Steelworkers of America
APPENDIX P
LETTER AGREEMENT
ON SUCCESSORSHIP

August 1, 1999

Mr. Andrew Palm
Chairman – Negotiating Committee
USWA, AFL-CIO-CLC
5 Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

In the course of the recent negotiations for successor agreements to the Basic Labor Agreements applicable to USWA-represented employees of the USS Division of USX Corporation (and related benefit agreements) (collectively the “Successor Agreements”), the Union expressed great concern over the possible corporate restructuring of the USS Division of USX Corporation and the potential effect any restructuring or sales of facilities covered by the Successor Agreements might have on the jobs of current employees and the accrued benefits of both retirees and current employees. USX Corporation (“USX”) recognizes its obligation to provide promised retiree benefits to those employees who have already retired and will retire in the future. In an effort to address the concerns of the Union, USX will take the following steps.

1. USS Division of USX will be the signatory to the Successor Agreements just as it was to the current Basic Labor Agreements (and related benefit agreements).

2. USX will sign a Successorship Agreement in the form attached as Exhibit A.

3. USX will sign a guarantee in the form attached as Exhibit B.

4. (a) USX will advise the Union whenever USX or a Subsidiary enters into a letter
of intent or other written agreement (a "Letter of Intent") for the sale of all or any of its interest in all or a substantial portion of any of Clairton Works, Fairfield Works, Fairless Works, Gary Works, Mon Valley Works (including both Irvin and Edgar Thomson), and Minnesota Ore Operations at which Union-represented employees are employed (such Works and Operation are referred to, individually and collectively, as a "Facility", and such interest in such Works, Operation or portion thereof subject to the Letter of Intent is referred to as the "Offered Facility"). At the same time, USX shall inform the Union of the identity of the potential purchaser, the interest in the Facility or portion thereof involved in the transaction and provide copies of any press release or other public disclosure that is made concerning the potential transaction (the "Notice of a Letter of Intent"). Provided the Union and USX shall have entered into a Confidentiality Agreement, as contemplated in Section (k) of this paragraph 4, USX will, at the same time, provide the Union with a copy of the Letter of Intent and all non-public information given to the potential purchaser and will cooperate with the Union so as to provide expeditiously other information necessary to enable the Union to make an offer to purchase the Offered Facility. During an initial period of twenty (20) days from the delivery of the Notice of a Letter of Intent (hereinafter the "Initial Period"), USX agrees that it will not consummate the sale of the Offered Facility so that during the Initial Period the Union may evaluate whether the Union wishes to
make an offer for the purchase of the Offered Facility. If requested by the Union, USX will promptly make available to the Union all non-confidential information it has concerning the potential purchaser and will attempt to arrange a meeting between the Union and the potential purchaser. If the Union desires to pursue the possibility of purchasing the Offered Facility, the Union shall within the Initial Period give USX written notice of its intention to pursue the possibility of purchasing of the Offered Facility, together with an initial deposit of Twenty Thousand Dollars ($20,000) (the “Initial Deposit”). If the Union does not give USX such notice and the Initial Deposit within the Initial Period, the Union shall have no further rights under this paragraph 4 with respect to the proposed sale and USX shall be free to sell the Offered Facility at any time or from time to time to the purchaser identified to the Union, or an affiliate of such purchaser. As used in this paragraph 4, a “substantial portion of a Facility shall mean a portion of such Facility in which at least twenty-five percent (25%) of the Union-represented employees at such Facility normally work or worked.

(b) Upon receipt by USX of the notice contemplated by section (a) above and the Initial Deposit, USX agrees that for a period not exceeding ninety (90) days after delivery of the Notice of a Letter of Intent (the “Subsequent Period”) USX will not consummate a sale of the Offered Facility; provided, that USX shall be free to consummate such a sale after the
date which is fifty-five (55) days after delivery of the Notice of a Letter of Intent unless the Union shall have, prior to such date, delivered to USX an additional deposit of Twenty Thousand Dollars ($20,000) (the "Additional Deposit"). During the Subsequent Period, the Union may make, but is not obligated to make, an offer to USX to purchase the Offered Facility. In the event the Union submits a bona fide, good faith and timely offer, USX agrees to consider such offer in good faith; provided, however, that USX shall have no obligation to sell the Offered Facility to the Union, the potential purchaser or any other party, and reserves the absolute right and authority to evaluate, accept, negotiate, renegotiate or reject for whatever reason any offer the Union (or any acquisition entity the Union may cause to be formed) may make for the Offered Facility, provided that in so doing USX acts in good faith. Once USX has complied with the requirements of sections (a) and (b) of this paragraph 4 with respect to the proposed sale, USX shall be free to sell the Offered Facility at any time or from time to time to the purchaser identified to the Union, or an affiliate of such purchaser. Until such time as USX shall be free hereunder to sell the Offered Facility to the purchaser, or an affiliate thereof, it shall remain contractually free to accept any bona fide, good faith offer which the Union may timely make.

(c) USX agrees to permit application of the Initial Deposit and, if made, the Additional Deposit, to the payment of any reasonable out-of-pocket expenses which the Union may incur to third parties
Appendix P (Contd.)

(including the fees of the third parties) in connection with the consideration by the Union of the possibility of purchasing the Offered Facility or the preparation of an offer for the same (collectively, “Qualified Union Expenses”). If USX sells the Offered Facility to the Union, the Initial Deposit and, if made, the Additional Deposit, to the extent not applied to the payment of Qualified Union Expenses, shall be applied (without interest) to the purchase price. If USX does not sell the Offered Facility to the Union and the Union has submitted a bona fide, good faith and timely offer to purchase the Offered Facility that would have, if USX had accepted it, provided to USX at least the total consideration actually received by USX from the sale to the potential purchaser, then the Initial Deposit and, if made, the Additional Deposit, to the extent not applied to payment of Qualified Union Expenses, shall be refunded to the Union (without interest). If the Union does not submit such an offer, or if the offer submitted does not satisfy the criteria of the preceding sentence, USX shall retain the Initial Deposit and, if made, the Additional Deposit, to the extent not applied to payment of Qualified Union Expenses. Except for the forfeiture of such Deposits, the Union shall not have any other obligation to compensate USX under this paragraph 4.

(d) The rights of the Union under this paragraph 4 shall not be transferable except that its rights may be assigned to and exercised by an acquisition entity established by or for the benefit of appropriate union-represented employees, provided
such employees own, through an employee stock ownership (or similar) plan, not less than 30% of the voting equity interest in the acquisition entity. In the event the Union’s rights hereunder are exercised by such an acquisition entity, at the time the Union submits its offer it shall advise USX of the identity of each equity participant or owner in such entity and such participant’s or owner’s proposed equity interest, and in the event, at any time prior to the acceptance or rejection by USX of the Union’s offer, the identity or proposed interest of any such participant or owner shall change, the Union shall give USX immediate written notice thereof.

(e) This paragraph 4 shall not apply to the sale, directly or indirectly, of all or substantially all of the steel business of USX, to the sale, directly or indirectly, of any undivided interest in all or substantially all of the steel business of USX or to the sale of all or any of the stock or other equity interests in any corporation, partnership, joint venture or other form of business enterprise owning all or substantially all of the steel business of USX or any undivided interest therein. For purposes of this paragraph 4, all or substantially all of the steel business of USX shall mean one or more facilities which collectively employ at least seventy percent (70%) of the total number of all Union-represented employees then employed by USX and accruing pension continuous service as of the date USX enters into a Letter of Intent to sell the Facility.

(f) This paragraph 4 shall not apply to the
sale of any Facility which has been permanently shut down for more than six months. For purposes of this paragraph 4, permanently shutdown shall have the meaning given to such term in Section 16 of the Basic Labor Agreement included within the Successor Agreements.

(g) This paragraph 4 shall not apply to the transfer of any Facility to a corporation which is directly or indirectly wholly owned by USX Corporation.

(h) This paragraph 4 shall apply regardless of the structure of a sale as an asset sale, stock sale, partnership, joint venture or other form of business enterprise, or any combination of the foregoing.

(i) The obligations of this paragraph 4 are in addition to and not in lieu of the Successorship Agreement.

(j) In the event the Facility to be sold is owned by a Subsidiary, USX shall cause the Subsidiary to comply with the provisions of this paragraph 4. For purposes of this Paragraph 4, a "Subsidiary" shall mean a corporation, partnership, joint venture or other form of business enterprise in which USX owns, directly or indirectly, equity interests entitling it to 50 percent or more of the ordinary voting rights; provided, however that this paragraph 4 shall not apply to a sale or transfer by USX of an interest in the Subsidiary to another party which on the date of the transfer already owns a 30% equity interest in the Subsidiary.

(k) As soon as practical following execution of this letter agreement, the Union and USX will negotiate in an effort to agree,
no later than February 15, 1991, upon an agreement which is reasonably acceptable to USX concerning confidential treatment and use of any confidential or proprietary information which may be provided to the Union by USX hereunder. Said agreement shall be executed by the Union and USX as soon as agreed upon and shall be referred to herein as the “Confidentiality Agreement”. In the event the parties are unable to reach agreement on, and execute, such a confidentiality agreement, USX shall not be obligated hereunder to deliver to the Union any confidential or proprietary information.

(1) In the event (i) USX complies with the requirements of sections (a) and (b) of this paragraph 4 on one or more times with respect to the purchase of any interest in any Offered Facility by the same purchaser, or an affiliate of such purchaser; (ii) the Union fails to submit a bona fide, good faith and timely offer to purchase the Offered Facility on one or more of said occasions; and (iii) the purchaser, or an affiliate of said purchaser, acquires an interest of thirty percent (30%) or greater in the Offered Facility, in one or more transactions with respect to which the Union fails to submit such an offer, the Union shall have no further right hereunder with respect to such purchaser, or an affiliate of such purchaser, with respect to said Offered Facility, and USX shall be free to sell the Facility of which the Offered Facility is a part, an undivided interest in such Facility, a portion of such Facility or an undivided interest in a portion of such Facility at any time or from time to time.
to the purchaser, or an affiliate of such purchaser, in a single transaction or in a series of related or unrelated transactions.

(m) Time is of the essence of this paragraph 4.

(n) Notwithstanding any other provision in the Basic Labor Agreement, the provisions of this paragraph 4 may be enforced in a court of competent jurisdiction without resort to the grievance and arbitration procedure of the Basic Labor Agreement.

5. (a) In connection with any Spinoff of a Business, as defined in section (b) below, USX agrees that it will retain at its sole cost a nationally recognized investment banking firm to advise the board of directors of USX concerning such Spinoff of a Business.

(b) “Spinoff of a Business” shall mean a stock dividend or distribution to the shareholders of USX of shares of stock, partnership interests or other security representing all or substantially all of the equity interest of USX in either the steel or energy businesses of USX. By way of example, the distribution to USX shareholders of shares of Marathon Oil Company or of a subsidiary of USX which succeeds to the assets and liabilities of USS, a division of USX, would constitute the Spinoff of a Business. Spinoff of a Business shall not include a sale to an unaffiliated third party, a public offering for cash, or any other transaction in which USX receives consideration for the assets or securities transferred by it to unaffiliated third parties.

6. Except as expressly allowed by paragraph
4, this letter agreement may not be transferred or assigned by the Union. This letter agreement shall become an appendix to the Successor Agreements. This letter agreement shall be governed by the federal labor laws of the United States and to the extent no federal labor law is applicable by the laws of the Commonwealth of Pennsylvania.

Very truly yours,

/s/ J.T. Carney

J. T. Carney
General Manager
Employee Benefits, USX

Confirmed:

/s/ Andrew V. Palm

Andrew V. Palm
United Steelworkers of America

EXHIBIT A
UNDERSTANDING
ON SUCCESSORSHIP

In discussions leading to the August 1, 1999 Settlement Agreement, the Union expressed certain concerns with respect to the matter of successorship in the event of the sale of some or all of the plants covered by the August 1, 1999 Basic Labor Agreements ("1999 BLA"). This Agreement on Successorship confirms and memorializes the understandings and agreements reached by the parties to address those concerns:

1. USX Corporation or its subsidiaries (the "Company") will not sell, convey, assign or otherwise transfer any plant(s) or substantial portion thereof (plant) where the USWA represents the majority of employees except under one of the following conditions:
a. The Company has declared the plant to be sold permanently shutdown for more than one year prior to the sale; or,

b. The buyer or transferee shall have assumed all collective-bargaining agreements, including the 1999 BLA, the Pension Agreement, and the Insurance Agreements, applicable to USWA represented employees at the plant to be sold ("collective bargaining agreements"); or,

c. The buyer or transferee shall have entered into an agreement with the Union establishing the terms and conditions of employment to be effective at the plant to be sold as of the date of the sale.

2. In the event of a sale pursuant to the conditions described in paragraphs (b) or (c) above, and in the further event of a subsequent permanent shutdown of the plant so sold within five (5) years of such a sale, the Company shall guarantee that each former USS employee at the plant so sold will receive from the purchaser, from the PBGC or from the United States Steel and Carnegie Pension Fund the following benefits:

a. The same severance pay that the employee would have received had the plant so sold been shutdown as of the date of sale.

b. The same regular pension benefit (including increased regular pension provided for 70/80, Rule of 65 or permanent incapacity retirement) which would have been payable to such employee had the plant so sold been shutdown as of the date of sale.

c. A special initial pension payment equal to the same special initial pension pay-
ment which would have been payable to such employee had the plant so sold been shutdown as of the date of sale and had all regular vacation been taken prior to retirement.

d. The same retiree health insurance coverage which would have been provided to such employee had the plant so sold been shutdown as of the date of sale.

e. An amount of life insurance coverage equal to the same retiree life insurance coverage which would have been provided had the plant so sold been shutdown as of the date of sale.

3. The provisions and agreements in paragraphs 1 through 2 herein shall not apply to any transaction between the Company and any of its subsidiaries, affiliates or parents, or to any transaction involving the sale or issuance of stock, except that paragraphs 1 and 2 above shall apply to a transaction or a series of transactions that result in a change of control.

4. The sale of a plant in accordance with paragraphs 1(b) or 1(c) above shall not be deemed a permanent shutdown.

5. The provisions of paragraph 1 shall not apply in the case of a plant that has been permanently shutdown for more than 90 days prior to its sale, conveyance, assignment or transfer if (1) the buyer or transferee has agreed or offered unconditionally to agree to (a) recognize the Union as the collective bargaining representative of its employees and (b) initially hire only former employees of such plant for USWA represented jobs (In the event a sufficient number of such employees do not accept employment for USWA represented jobs, the buyer or transferee may hire from the
outside,) and, if (2) the Union has (a) refused to make a final offer for terms and conditions of employment at such plant or (b) has made a final offer which is unreasonable in all the circumstances. The Union shall bear the burden of proof with respect to the reasonableness of its final offer.

EXHIBIT B
GUARANTEE

By letter dated August 1, 1999, addressed to Mr. Andrew Palm ("Palm Letter"), USX Corporation ("USX") has agreed with the United Steelworkers of America ("Union") to enter into this guarantee. USX and the Union are parties to a Settlement Agreement dated August 1, 1999 (the "Settlement Agreement") and to Basic Labor Agreements and benefits agreements resulting from the Settlement Agreement (collectively the "1999 Labor and Benefits Agreements"). The Union and USX were parties to a number of prior settlement agreements. This document sets forth certain undertakings by USX to remain liable for certain employee benefits for active Union-represented employees who are covered by the 1999 Labor and Benefits Agreements and retired Union-represented employees (and certain former Union-represented employees) who were employed by USX in any facility covered by the 1999 Labor and Benefits Agreements or by any prior settlement agreements (including those negotiated by USX when it was a member of the Coordinating Committee Steel Companies) in the event during the term of the 1999 Labor and Benefits Agreements: (i) a USX subsidiary or subsidiaries succeeds to all or substantially all of the assets and liabilities of the business currently conducted by the USS Division of USX; (ii) USX sells, or a USX Subsidiary or subsidiaries succeeds to, a plant
or portion thereof covered by the 1999 Labor and Benefits Agreements: or (iii) USX engages in the Divestiture of a Business as defined below.

1. Definitions

   a. “Current Retirees” shall mean persons or surviving spouses or co-pensioners of persons who: (i) were represented by the Union on the last date of their employment with USX or the Company and (ii) are receiving, or are eligible to receive (including eligibility for deferred vested pensions), Retiree Benefits from USX as of August 1, 1999 or the End Date.

   b. “Current Employees” shall mean persons who are, as of the End Date: (i) represented by the Union; (ii) employed by USX or the Company on or after August 1, 1999, regardless of the date of hire; and (iii) accruing Pension Continuous Service under the Pension Agreement.

   c. “Pension Eligible Employees” shall mean current Employees who are, as of the End Date, eligible for immediate pensions under the 30-Year, 60/15, 62/15 or Normal Retirement provisions of the Pension Agreement.

   d. “Retiree Benefits” shall mean pension, retiree health benefits and retiree life insurance benefits provided under the Governing Agreements.

   e. “Governing Agreements” shall mean the past and current Basic Labor Agreements, Pension Agreements, Insurance Agreements and Retiree Insurance Agreements (as they may be revised by the parties).
f. "Company" shall mean the USS Division of USX Corporation or any Subsidiary, as defined in paragraph 8, in which USX owns, directly or indirectly, an equity interest entitling it to more than 50 per cent of the ordinary voting rights.

g. "Former Employees" shall mean persons who: (i) were represented by the Union on their last date of employment by USX or the Company under any predecessors to the 1999 Labor and Benefits Agreements at a plant sold by USX prior to August 1, 1999 and (ii) are accruing Pension Continuous Service under the United States Steel Corporation Plan for Employee Pension Benefits (Revision of 1950) ("Pension Plan") as of August 1, 1999 solely for purposes of eligibility and vesting.

h. "Divestiture of a Business" shall mean any transaction or series of transactions which results in the sale or transfer by USX (i) of voting securities or (ii) of all or substantially all of the assets (other than to a wholly-owned subsidiary) of the USX steel business. It shall include, by way of example, a dividend or distribution of voting securities to the stockholders of USX, a public offering for cash and a sale of voting securities or assets to an unaffiliated third party.

i. "Successor" shall mean any successor to the Company as defined by federal labor law, excluding any Subsidiary in which USX owns, directly or indirectly, an equity interest entitling it to more than 50 percent of the ordinary voting rights.

j. "End Date" shall mean, for any Current Employee, the date that is the last day
Appendix P (Contd.)

such person is employed by USX or the Company.

k. Other terms used herein and not otherwise defined shall have the meanings given them under the Pension Agreement or Settlement Agreement or, if not defined in either the Pension Agreement or Settlement Agreement, their ordinary meaning.


USX Corporation acknowledges that as to Current Retirees USX is liable for all Retiree Benefits due such Current Retirees from USX and that such obligation is not and will not be amended, modified, terminated or expanded by any: (i) sale of a plant by USX; (ii) Divestiture of a Business or (iii) transfer by USX to a subsidiary or subsidiaries of any or all of the assets and liabilities of the USS Division of USX.


USX guarantees that Pension Eligible Employees will receive Retiree Benefits upon their retirement equal to the Retiree Benefits available from USX as of the End Date in the amounts and subject to the terms and conditions provided for in the Governing Agreements.

The accrued pension benefits guaranteed by USX shall be based upon a Pension Eligible Employee’s Earnings and years of Pension Continuous Service with USX and the Company as of the End Date and shall include all benefits under the Pension Agreement except the Increased Pension (pension supplement) for any type of retirement; provided however, if a Pension Eligible
Appendix P (Contd.)

Employee attains such status based upon Pension Continuous Service with a Controlled Subsidiary before the End Date, the Retiree Benefits guaranteed shall be as described in paragraph 8.

4. Guarantee of Pension for Current Employees Other than Pension Eligible Employees.

USX guarantees that Current Employees, other than Pension Eligible Employees, will receive a pension upon their retirement (or receipt of a deferred vested pension) at least equal to their accrued pension benefits as of the End Date.

a. Except as provided in b. below, the accrued pension benefits guaranteed shall be based upon a Current Employee’s Earnings and years of Pension Continuous Service with USX and the Company as of the End Date and shall include all benefits under the Pension Agreement except the Increased Pension (pension supplement) for any type of retirement.

b. If a Current Employee earns Pension Continuous Service with a Controlled Subsidiary before the End Date, the pension benefits guaranteed by USX as a result of such service shall equal its percentage ownership in the Controlled Subsidiary.

c. In the case of the minimum Surviving Spouse’s Benefit and the Special Payment, the guarantee is limited to a pro rata share of the benefit based upon the Current Employee’s years of Pension Continuous Service with USX and the Company as compared to the Current Employee’s combined service with USX, the Company and all Successors.

d. Pension Continuous Service with USX,
the Company and any Successor shall be credited for purposes of eligibility and vesting for all types of pensions other than 70/80 and Rule of 65 Retirements but only Pension Continuous Service with USX and the Company before the End Date shall be credited by USX for purposes of benefit calculation for all types of retirements or eligibility for and vesting in a 70/80 or Rule of 65 Retirement.

e. For those Current Employees who, as of the End Date, satisfy the age and service requirements for a 70/80 or Rule of 65 Retirement or who would satisfy those age and service requirements within two years of the End Date, USX guarantees their accrued benefit for a 70/80 or Rule of 65 retirement.

5. Guarantee of Pension for Former Employees.

USX guarantees that Former Employees upon their retirement (or receipt of a deferred vested pension) will receive a pension at least equal to their accrued pension benefits as of the date the plant at which they were employed was sold by USX ("Date of Sale").

a. The accrued pension benefits guaranteed will be based upon the Former Employee's Earnings and years of Pension Continuous Service as of the Date of Sale and shall include all benefits under the Pension Agreement except the Increased Pension (pension supplement) for any type of retirement.

b. In the case of the minimum Surviving Spouse's Benefit and Special Payment, the guarantee is limited to a pro rata
share based upon the Former Employee's years of Pension Continuous Service with USX and the Company as compared to the Former Employee's combined years of Pension Continuous Service with USX, the Company and the purchaser(s) of the plant at which they were employed ("Purchaser").

c. Pension Continuous Service with USX, the Company and the Purchaser shall constitute Continuous Service for eligibility and vesting purposes for all types of pensions other than 70/80 and Rule of 65 Retirements but only Pension Continuous Service with USX and the Company shall be credited for purposes of benefit calculation for all types of pensions or eligibility for and vesting in a 70/80 or Rule of 65 Retirement.

d. For those Former Employees who, as of the Date of Sale, satisfied the age and service requirements for a 70/80 or Rule of 65 Retirement or who would have satisfied those age and service requirements within two years of the Date of Sale, USX guarantees their accrued benefit for a 70/80 or Rule of 65 Retirement.

6. General Provisions as to this Guarantee.

a. The guarantee of USX hereunder is in addition to and not in lieu of the guarantee of USX under paragraph 2 of the Agreement on Successorship.

b. The guarantee of USX hereunder is not a replacement for any Retiree Benefits received by any Current Retiree, Pension Eligible Employee, Current Employee, or Former Employee from: the Company; any Successor; the Pension Plan; any Purchaser; any pension or
welfare benefit plan established by the Company, any Successor or any Purchaser, in the future; any payments from Medicare, Medicaid or other governmental program; or the Pension Benefit Guaranty Corporation or any successor thereto. To the extent that any Retiree Benefits are received from any of the foregoing, USX shall have no obligation to provide such benefit or to reimburse the provider of such benefits for the cost thereof. These same principles apply to the guarantee of USX under paragraph 2 of the Agreement on Successorship.

c. The guarantee of USX hereunder is limited to the provisions for Retiree Benefits in effect as of the End Date and shall not be increased or expanded without the express written consent of USX. No amendment of any Governing Agreement after the End Date shall increase USX’s obligations hereunder. In no event shall the obligations of USX hereunder be for any Retiree Benefits greater than those the Company and/or Pension Plan is then obligated to provide.

d. In the event that USX provides any Retiree Benefits under this guarantee, USX shall be subrogated to the claims of the Union and the recipient of such benefits to any and all claims the Union and such recipient has for such benefits against the Company, any Successor, any pension or welfare plan established by the Company or any Successor, any Purchaser, the Pension Plan, any governmental program or the Pension Benefit Guaranty Corporation or any successor thereto.
e. This document in no way amends, limits or modifies as between USX and any other person, any existing or future agreement between them assuming, allocating or transferring responsibility for any Retiree Benefits or any other matter.

f. This document shall not in any way affect the rights and remedies of any person under any existing or future agreement or understanding or any other rights and remedies of any person at law or in equity.

g. For the purposes of paragraphs 3 and 4 of this guarantee, the Increased Pension payable for 30 year retirement and the 30 year minimum lifetime benefit shall be considered accrued benefits with respect to any Pension Eligible Employee or Current Employee who has completed 30 years of Pension Continuous Service as of the End Date as though he had retired on such End Date provided that he subsequently retires on 30 year retirement; provided, however, that if upon such 30 year retirement, such employee elects the Increased Pension for 30 year retirement, the 30 year minimum lifetime benefit shall not be considered an accrued benefit in this case because he will not be entitled to the same and if such employee elects the 30 years minimum lifetime benefit, the Increased Pension payable for 30 year retirement will not be considered an accrued benefit in his case because he will not be entitled to the same.

7. Third Party Beneficiary Status.

USX acknowledges that this document is
on Current Retirees, Pension Eligible Employees, Current Employees, and Former Employees, any of whom shall be entitled to enforce the terms hereof. USX acknowledges that it may not amend, modify or terminate this document without the express written consent of the Union.

8. Subsidiaries

Any corporation, partnership, joint venture or other form of business enterprise in which USX owns, directly or indirectly, an equity interest ("Subsidiary") shall, if such equity interest entitles USX to more than fifty percent (50%) of the ordinary voting rights, be, for the purposes of this Guarantee, treated as a wholly-owned subsidiary of USX.

APPENDIX Q
LETTER AGREEMENT ON DAILY VACATION

February 1, 1994

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

Commencing with the effective date of the 1994 Basic Labor Agreement, the Plant Leadership Committee may agree to permit employees to schedule up to one week of vacation in daily increments in accordance with mutually agreed to procedures.

Very truly yours,
CONFIRMED:

/s/ Andrew V. Palm
Andrew V. Palm
United Steelworkers of America

APPENDIX R

MEMORANDUM OF UNDERSTANDING
CONCERNING STEEL INDUSTRY
CONSENT DECREE I MATTERS

1. HISTORY — The Company and the Union have long been committed to equal employment opportunities for all persons. In an effort to assure the availability of such opportunities to minorities and females, in 1974 they joined with seven other steel companies and the United States Government, through the Departments of Justice and Labor and the Equal Employment Opportunity Commission, in what came to be known as the Steel Industry Consent Decree (U.S. v. Allegheny Ludlum, et al.) which was filed in the United States District Court for the Northern District of Alabama on April 14, 1974 (the "Decree").

The provisions of the Decree were originally made applicable to the various plants of the Fairfield Works subject to conforming modification, as appropriate and agreed to and with the approval of the court having jurisdiction, in United States v. United States Steel, et al., Civil Action No. 70-906 and companion cases. Subsequently, no agreement was reached, and the Fairfield Works remained subject to the Decree entered in Civil Action No. 70-906.
The purposes of the Decree were to protect the rights and interests of employees of the Company and all members of the Union and to achieve prompt and full utilization of minorities, females and longer service employees by increasing the promotional and transfer opportunities of such employees who were working in occupations for which the Union was the collective bargaining agent. The Decree established various practices and procedures to assist in meeting these objectives. Among them were a revised seniority system, expanded bidding and transfer rights, and an Audit and Review Committee which was charged with overseeing implementation of the Decree and resolving disputes arising under it. In approving the Decree and a companion Decree applicable to the Company, the Court made the following finding, incorporated in the Decree:

"It appears to the Court that entry of this Decree and Consent Decree II entered this date will further the objectives of Title VII and Executive Order 11246, as amended, and this Decree and Consent Decree II are being entered with the intent and purpose to protect the rights and interests of employees of and future applicants for employment with the Companies and of all members of the Union with respect to the matters within the scope of these Decrees."

By Order of Court, the Decree was dissolved on November 1, 1989.

Certain portions of the Decree are no longer applicable simply by reason of the passage of time. Other portions have been specifically adopted in the Basic Labor Agree-
ment. In this Appendix, the Company and the Union have agreed to preserve and continue certain fundamental provisions of the Decree which have not lapsed through passage of time and are not otherwise contained in the Basic Labor Agreement, and make such changes as are necessary to reflect the fact that the Government agencies which were parties to the Decree will not be parties to this Appendix and the undertakings contained herein are no longer in the form of a court order.

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

3. DEFINITIONS — For purposes of this Appendix, the term “Trade and Craft,” refers to those occupations which are so classified under the Agreement and are listed in the August 1, 1971 Job Description and Classification Manual. For purposes of paragraph 11(b), the term “Minority” shall be defined the same as it was defined in Section 2 of the Decree.

4. SCOPE — This Appendix shall apply to all plants and facilities covered by this Agreement to which the terms of Consent Decree I were previously applicable.
5. LENGTH OF PLANT CONTINUOUS SERVICE

(a) Except where a Basic Labor Agreement or other agreements entered into between the Company and the Union provide for the use of Company continuous service or some greater measure of service length than plant continuous service, plant continuous service (hereinafter plant service) shall be used for all purposes in which a measure of continuous service is presently being utilized; provided, however, that all promotions, step-ups, demotions, layoffs, recalls and other practices affected by seniority shall be in accordance with plant service provided that,

(a) demotions, layoffs, and other reductions in forces shall be made in descending job sequence order starting with the highest affected job and with the employee on such job having the least length of plant service, and (b) the sequence on a recall shall be made in the reverse order so that the same experienced people shall return to jobs in the same positions relative to one another that existed prior to the reductions. The parties at a plant may agree in writing to preserve an existing procedure varying from the requirements of the proviso contained in the preceding sentence where it is not inconsistent with the purpose of this Understanding.

(b) TRANSFERS — Where an employee transfers from one seniority unit to another, his plant service shall be used for all purposes provided for by Section 5(a) except he shall not be entitled to have any then existing shift or other schedule in such unit changed unless it embraces more than a four-week period following his en-
try into the unit.

6. POOLS AND DEPARTMENTS — Agreements between the parties regarding the number and arrangement of pools and lines of promotion, if any, within the pools shall remain unchanged except as the Company and the Union representatives involved agree to make changes not inconsistent with the purposes of this Appendix.

7. BIDDING RIGHTS FOR CERTAIN EMPLOYEES — In 1987, the parties entered into an agreement with respect to certain long service employees displaced from facilities idled by the Company, who, because of their assignment to pool jobs, were limited in their ability to bid on promotional vacancies which might arise in seniority unit jobs within and above the pools. To address the situation, the parties adopted an agreement on this matter as set forth in Appendix T of the 1987 Basic Labor Agreement, contingent, however, upon approval by the Consent Decree Court. The parties were not able to implement Appendix T. Accordingly, they have, as part of this Appendix, adopted the following provision, effective as of the effective date of the Agreement. Notwithstanding any other provision of the Basic Labor Agreement or of this Appendix R, an employee who is assigned under any pool arrangement to a seniority unit because the Company has indefinitely idled a facility in which such employee holds incumbency status and who has been assigned to such seniority unit for two years or more shall have seniority rights for promotional purposes on permanent vacancies on entry level jobs in that unit.

8. TRAINING OF TRANSFERRED EMPLOYEES...
Appendix R (Contd.)

EES — Transferred employees will be afforded appropriate training opportunities (including opportunities to fill temporary vacancies pursuant to the applicable provisions of the Basic Labor Agreement) in order to encourage transfer hereunder and normal progression of employees in their seniority units.

9. RATE RETENTION

(a) An employee whose plant continuous service date precedes January 1, 1968, shall be entitled to receive a form of rate retention on the occasion of one transfer. The employee may elect the particular transfer for which his right to rate retention shall apply, provided such election is made at the time of the transfer. If any employee accepts transfer with rate retention under this paragraph 9, his rights in the unit from which he transfers will be cancelled 45 calendar days after such transfer provided, however, that if during such 45 calendar day period such employee voluntarily returns to the unit from which he transferred, or is returned by Management, and if such return is after his first exercise of his right to rate retention under this paragraph 9, he will be given one additional transfer with rate retention rights under the provisions of this paragraph 9.

(b) An employee who exercises an opportunity under this paragraph 9 to transfer with rate retention will be provided with a personal transfer rate to be paid starting 45 calendar days after his transfer, retroactive to his date of transfer, provided he does not voluntarily or at the direction of Management return to the unit from which he transferred within
such period. Except as provided in para-
graph 9(c) below, his personal transfer
rate shall be the standard hourly wage
rate which is nearest to his average stan-
dard hourly wage rate in the 13 consecu-
tive weekly pay periods or 7 consecutive
biweekly pay periods (whichever is appli-
cable) immediately prior to his date of
transfer. The incentive calculation rate
corresponding to the standard hourly
wage rate which constitutes his “personal
transfer rate” will be applicable when he
works on an incentive job in his new
seniority unit or department. In no event,
however, shall an employee’s personal
transfer rate exceed the lower of (1) the
standard hourly wage rate in effect for
Job Class 11 on the date of his transfer; or
(2) the standard hourly wage rate of the
highest job in the line of progression to
which he is transferring. For the hours in
each pay period that are compensated
after such transfer (except vacation and
SUB payments), an employee shall be
paid the higher of: (1) his average hourly
earnings using his personal transfer rate
as applied to his new job(s); or, (2) his
average hourly earnings at the
established rate of pay for his new job(s)
in that pay period.

(c) If a female or minority employee tran-
sfers under the provisions of this para-
graph 9 from an incentive job to a
non-incentive job which is in a line of
progression where the majority of jobs
are incentive-rated, for so long as that
employee is working on a non-incentive
job in the new unit, the employee’s
personal transfer rate shall be the
employee’s average hourly earnings (ex-
clusive of shift, overtime, Sunday and
Holiday premium, but including incentive earnings) as calculated for the reference period set forth above.

(d) An employee's personal transfer rate shall be adjusted only for general wage increases and it shall not be adjusted for any increases in Job Class increments.

(e) An employee's personal transfer rate shall be terminated for all purposes on the occurrence of any one of the following:

1. His average hourly earnings in his new line of progression over 26 consecutive weekly pay periods or 13 consecutive bi-weekly pay periods (whichever is applicable) exceed his average earnings as calculated by use of his personal transfer rate.

2. 104 weeks elapse after the date of his first effective transfer with rate retention.

3. He refuses to promote or fails to take an opportunity for a permanent promotion to a higher job in his line of progression or seniority unit unless he has worked less than 30 days since entry into such line or unit or since his last preceding permanent promotion in such line or unit.

4. He twice fails to qualify for permanent promotion to the same next higher job in his new line of progression provided that two or more such failures to qualify within a 30-working-day period shall count as only one failure.

5. He subsequently transfers voluntarily to another line of progression, except where (a) a female or minority employee after having transferred
from one department to another department subsequently makes one additional transfer within the new department, or (b) a female or minority employee after having transferred pursuant to this Appendix into a line of promotion or seniority unit has his promotional opportunities in that line or unit adversely affected as a result of a restructuring or other change in that line or unit and thereafter subsequently makes one additional transfer to or within any department other than that from which he originally transferred. Female or minority employees will be entitled to make one additional transfer as provided in either (a) or (b) of this subparagraph (5) but not both. Nothing in this subparagraph (5) shall operate to extend or interrupt the time period set forth in paragraph (e) (2) above.

10. SENIORITY FACTORS — The definitions of seniority presently contained in the Basic Labor Agreement, including such factors as relative ability, physical fitness and continuous service, shall be preserved.

11. AFFIRMATIVE ACTION FOR TRADE AND CRAFT OCCUPATIONS —

(a) The goals and timetables for qualified minority representation and/or qualified female representation in Trade and Craft jobs and the utilization analysis in connection therewith shall continue to be determined in accordance with the provisions and procedures of Section 10 of the Decree as though that Decree had continued in effect.

(b) IMPLEMENTING RATIO: An implement-
menting ratio of 50% (except as the Audit and Review Committee determines that unusual circumstances compel a different ratio) shall be applied in the aggregate for all groups for whom timetables are established, for each Trade and Craft grouping at each plant, to the extent that qualified applicants from such groups are available within the plant, until the goals therefor have been achieved. As to new jobs created since 1974 which are not currently included in any such group, the parties shall negotiate concerning the appropriate treatment of such jobs under this provision (b) and, failing agreement, shall refer the issue to the Audit and Review Committee for determination. In applying the implementing ratio, all permanent vacancies within a craft job and its apprenticeship, as well as within all other occupations which in fact lead to that craft job, shall be considered as a single consolidated group with regard to the initial entry of employees into such jobs and occupations.

(c) SENIORITY FACTORS: Permanent vacancies in apprenticeships and in entry-level jobs in lines of promotions containing occupations which in fact lead to craft jobs shall be filled in accordance with the provisions of Section 13-0-3 of the Basic Labor Agreement. In order to meet the implementing ratio, seniority factors shall be applied separately to each group for whom timetables are established and to all other employees. At any plant or facility where there are no qualified applicants or bidders for a vacancy, the Company may obtain new hires to fill such vacancy, provided all good faith ef-
forts shall be made in doing so to comply with the established implementing ratio.

(d) REVIEW: The goals and timetables established pursuant to this Section shall be reviewed periodically, but at least annually, by the Company for such adjustments as may be appropriate or necessary. Any changes made shall be submitted to the Union for review. If the Company and the Union are unable to resolve any disputes as to the appropriateness of any such changes, the disputed items shall be submitted to the Audit and Review Committee.

(e) The Company and the Union shall both actively participate in defending in any legal proceeding challenging the methodology for the establishment of goals and timetables set forth in paragraph 11(a) and the Implementing Ratios contained in paragraph 11(b). It is agreed that if an Administrative Law Judge, upon a complaint brought by the OFCC, determines that any or all of them are not in compliance with applicable law, the Company may take the action necessary to comply with that determination.

(f) COMPLIANCE: The Company's compliance status shall not be judged solely by whether or not it reached its goals and met its timetables and implementing ratio. Rather, in accordance with Revised Order No. 4, issued by the Department of Labor, the Company's compliance posture at each of its plants and facilities shall be determined by reviewing the extent of the Company's good-faith efforts made toward com-
Appendix R (Contd.)

pliance and thus toward the realization of the goals within the timetables established.

(g) PRE-APPRENTICESHIP TRAINING: AR.24
The Company and Union shall make application to the United States Department of Labor for such funds as might be available for the establishment of pre-apprenticeship training programs where agreed.

12. EMPLOYEE SELECTION CRITERIA —

(a) The Company shall not use employee selection procedures for promotions or Trade and Craft Selection unless those procedures meet the standards set forth in The Memorandum of Understanding on Testing (Appendix F of the Agreement).

(b) The Company shall make available to a designated representative of the International Union the following information, upon request:

1. Where the selection procedure involves a written test, a copy of the test. Where a selection procedure involves other than a written test (e.g., an oral test, a work demonstration, or an education attainment level, etc.), a written description of that procedure;

2. The occupations for which the selection procedure is applicable, and the purpose for which it is used;

3. The date of the initial use of the selection procedure and, if discontinued, the date it was discontinued;

4. The scores, pass/fail rate, or other measurements obtained for use of the
selection procedure set forth separately for males and females in each minority group and for non-minority males and females as determined from existing records for a period not to exceed three years prior to the date of this Agreement, or for the last 100 employees or applicants in each group; and,

5. All studies or other data demonstrating validation and/or job relatedness, or lack thereof. If no studies or other data exists, such fact shall be indicted as well as a timetable for obtaining such studies or data.

6. All such tests and materials will be held in strictest confidence and will not be copied or disclosed to any other person; provided that such tests and materials may be disclosed to an expert in the testing field for the purpose of monitoring compliance with this Appendix.

(c) The Company shall maintain for at least three years, data pertaining to any test or other selection procedure, including the identity, sex, race or national origin and score or other measurement obtained for each person subject to the test or procedure.

(d) Disputes between the Company and the Union concerning the validity of any selection method may be processed in accordance with the provisions of Sections 6 and 7 of the Basic Labor Agreement.

13. AUDIT AND REVIEW COMMITTEE — In place of the Audit and Review Committee provided for in Section 13 of the Decree, the
Appendix R (Contd.)

parties shall establish a Company Audit and Review Committee (the “ARC”), consisting of two representatives designated by the Company, two representatives designated by the Union and one neutral representative agreed to by the parties who shall be a person familiar both with the Steel Industry and the operation of the Decree. The members of ARC shall assume their positions no later than six months after the effective date of the February 1, 1991 Basic Labor Agreement. The functions of the ARC shall be limited to the following, except to the extent other matters may be specifically referred to it by agreement of the Company and the International Union:

(a) Prompt review and approval, prior to implementation, of local agreements which may hereafter be executed at the Plant or facility level and which deal with establishment of or changes in seniority units or practices, lines of progression, or modifications of existing pool agreements.

(b) Determination of complaints alleging a violation of this Appendix. Where appropriate, however, the ARC may refer complaints to the parties for processing pursuant to the provisions of Sections 6 and 7 of the Basic Labor Agreement.

(c) The decisions and determinations of the ARC which must be unanimous shall be in writing and shall be final and binding upon the parties and all employees concerned.

(d) If the ARC is unable to reach unanimous agreement on any matter referred to it, such matter may be referred to the Board of Arbitration by the Company or the
Appendix R (Contd.)

Union pursuant to procedures to be adopted by the Committee. Any such matter referred to the Board of Arbitration shall be heard and considered de novo. The neutral member of the ARC shall not participate in any way in the grievance procedure or in arbitration.

(e) The ARC shall meet as often as necessary but no less than four times a year, and shall adopt such rules and procedures as it deems appropriate. The fees and expenses of the neutral member and the administrative costs of the ARC shall be shared equally by the Union and the Company.

14. RECORDS AND REPORTS — The Company shall make available to a designated representative of the International Union upon request sufficient information to enable it to monitor compliance with the provisions of this Appendix.

15. PRESERVATION OF AGREEMENTS — Unless changed by mutual agreement of the Company and the Union, existing agreements concerning seniority, lines of progression and manning between the parties at the plant or facility level which have been reviewed by the Audit and Review Committee under the Consent Decree shall remain in effect.

16. PRESERVATION OF DIRECTIVES AND AMENDMENTS — Directives Number 5, 6, 7, 8, 11 and 12 issued by the Audit and Review Committee under the Decree and Amendment No. 7, (except for Section 1.1) and No. 11 to the Decree are continued in full force and effect. In addition, the provisions of Directive No. 3, paragraph 3(b), 4 shall be preserved.
APPENDIX S

LETTER AGREEMENT ON FAIRFIELD WORKS CONSENT DECREE

August 1, 1999

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

This will confirm our understanding regarding the substantive and systemic provisions of the Fairfield Consent Decree. Notwithstanding dissolution of that Decree, its substantive and systemic provisions shall be preserved and are deemed to be a supplement to the Basic Labor Agreement applicable to those facilities of the Fairfield Works to which the Fairfield Decree was applicable on the date of its dissolution.

The implementation and dispute procedure applicable to such Fairfield facilities shall be conformed to and incorporated into the procedure described in Appendix R, "Memorandum of Understanding Concerning Steel Industry Consent Decree I Matters" in the August 1, 1999 Basic Labor Agreement.

Very truly yours,

/s/ T. W. Sterling

T. W. Sterling
Vice President
Employee Relations
APPENDIX T

LETTER AGREEMENT ON MEAL ALLOWANCE

August 1, 1999

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

It is agreed that where meals are not provided and the local practice with respect to overtime meal arrangements is not in excess thereof, the overtime meal allowance, payable under the same circumstances as heretofore, will be $5.00 during the term of the August 1, 1999 Production and Maintenance Basic Labor Agreement.

Very truly yours,

/s/ T. W. Sterling
T. W. Sterling
Vice President
Employee Relations

Confirmed:

/s/ Andrew V. Palm
Andrew V. Palm
United Steelworkers of America
APPENDIX U
MEMORANDUM OF UNDERSTANDING
ON USS/USWA PARTNERSHIP

Section 1. Purpose and Intent

The Union and the Company agree that their goal is to attain the objectives set forth in this Memorandum. They also agree that these goals can best be accomplished when information and decision-making authority as well as responsibility are shared at all levels of the business. Accordingly, the parties have agreed to work toward the objective of establishing a strategic partnership. This commitment to working together on an ongoing basis must extend from the Board Room and the Executive Office to the Shop Floor and the Union offices and be driven by a shared vision of the need for continuous improvement in joint decision-making processes, employee participation, the parties' relationship, and all aspects of the business.

The purpose of this Memorandum is to provide a framework for Union and employee participation in joint decision making, for full and continuing access by appropriate Union representatives to the books, records and information relevant to the purposes and objectives of this Memorandum, for encouraging the implementation of new and innovative approaches to the way work is performed and for the establishment of a comprehensive training and education program, all as further described herein.

The parties recognize that the changes contemplated by this Memorandum must evolve, especially at the plant level. Accordingly, the local parties must have the flexibility to design participative structures that best meet their needs at any given time and that can change as changed circumstances and experience warrant. Further, where participative structures are
already in place, the parties recognize that such structures should continue to operate in a manner consistent with the objectives outlined below. It is understood that such existing structures cannot take the place of committees required to be established by this Memorandum.

Section 2. Objectives

In furtherance of their understanding on long-term employment security, the parties have agreed to pursue the following objectives and commitments:

a. Improving the quality, service, productivity and competitiveness of the business and its products and seeking profitability on a sustained basis;

b. Work environments that are safer, fairer, more equitable, less authoritarian and less stressful;

c. The ability to respond rapidly to changes in the marketplace, in products and in customer needs;

d. Increased worker responsibility and influence in workplace decision-making;

e. Joint mechanisms by which technology will serve the interests of both the business and the workers affected by the change;

f. Full and timely access by the Union and all employees to information concerning Company decisions affecting the working lives of employees;

g. Understanding the current state of world-wide competition;

h. Reduction of all overhead costs, including managerial, supervisory, and other non-bargaining unit costs;

i. Encouraging the use of problem solving
approaches to issues;
j. Commitment to higher skill development, better jobs, education and more productive utilization of a skilled workforce;
k. Compliance with public policy and environmental law and regulations;
l. Acceptance and support by the Company of the Union and acknowledgement of its role as an essential vehicle in attaining these objectives;
m. Acceptance and support by the Union of the Company and acknowledgement by the Union of its role as an essential vehicle in attaining these objectives.

Section 3. Full and Continuing Access to Information

At all times during the term of the Basic Labor Agreement, appropriate local and International Union leadership (including consultants and advisors) shall have access to the Company's financial and operational information that is relevant to the development and implementation of annual and long-term business and operating plans, as well as reasonable access to Company employees and advisors responsible for such information. These plans shall include such elements as products, pricing, markets, capital spending short- and long-term cash flow forecasts, and the method of funding or financing such plans. Without limiting the foregoing, the Company shall provide appropriate Union leadership with early practicable notification of any significant transactions under consideration involving mergers, divestitures, acquisitions, the formation of new joint ventures, or other business entities and new facilities to be constructed or established by the Company. Such notifications
shall include continuing updates regarding such transactions. Access to and the use of this information will be covered by a confidentiality agreement in form and substance satisfactory to the parties.

The Union will provide the Company with appropriate information regarding Union activities, organizational changes, bargaining and political objectives, other plans or developments that might affect the Company and appropriate access to the Union officers and its Executive Board.

Section 4. Comprehensive Training and Education Program For Committee Members, Bargaining Unit Employees, and Non-Bargaining Unit Employees

The parties recognize that the goals of this Memorandum can be attained only by a commitment to comprehensive and ongoing training and education. Accordingly, the Partnership Committee and Joint Leadership Committees (established below) shall take steps to establish training programs necessary to the purposes of this Memorandum. All training shall be focused on the following objectives: the long-range mutual goals of the Company and Union; problem-solving techniques; communication activities, skills, attitudes, behaviors and techniques for increasing the effectiveness of participation and involvement activities; and methods for determining and achieving joint goals. Without in any way limiting the comprehensiveness or continuity of the training and education required by this Memorandum, such activities will include, unless otherwise agreed to, at least the following minimum standards and guidelines.
a. Both Company and Union representatives shall receive training by their respective organizations in how, consistent with their organization's goals, they can accomplish the objectives of this Memorandum through participation and involvement activities, and such training shall, unless otherwise agreed to, include the following minimum levels.

(1) All members of Joint Leadership Committees: five (5) days per year.

(2) All members of the Joint Area Committees and joint Problem Solving Teams; Twelve (12) days per year, unless the Joint Leadership Committee agrees to fewer days in subsequent years.

(3) Other leadership figures of the local parties to this Memorandum: five (5) days per year, unless the Joint Leadership Committee agrees to fewer days in subsequent years.

b. By mutual agreement, the Partnership Committee shall sponsor a program for at least annual orientation and appropriate training of all members of joint committees created under this Memorandum.

c. Each Joint Leadership Committee shall develop a training program designed to increase the skills of bargaining unit and non-bargaining unit employees concerning the subjects identified in this Section 4. Such program shall commence with instruction on how best to pursue organizational objectives through participation activities, such instruction to satisfy the following minimum levels: for bargaining unit employees, a one-
day Union-taught orientation session; for front line supervisors, managers, and other excluded personnel a one-day management-taught orientation session.

d. The Company shall fund all training programs referred to in this Section, including employee time spent in such training. Time spent by bargaining unit employees in such training will be paid as though it were time worked at the employee's rate of earnings as determined for vacation pay.

e. Training referred to in this Section, other than Union training, and training exclusively for non-bargaining unit employees, shall be jointly developed and implemented.

Section 5. Partnership Mechanisms

a. Joint Strategic Partnership Committee

(1) Appointment and Composition

A joint Strategic Partnership Committee ("Partnership Committee") shall be established consisting of: for the Company, the USS Executive Committee; and for the Union, the Chairman of the USWA Negotiating Committee and the District Directors for USWA Districts 1, 7, 8, 9, 10 and 11. If any one of these District Directors is serving on a similar committee at another steel company, the USWA Negotiating Committee Chairman shall appoint the International Staff Representative from the respective District who is serving on the respective Joint Leadership Committee at the operation. The Union and Company shall designate their respective Co-Chairman from among its
respective Committee members.

(2) **Role of the Partnership Committee**

The Partnership Committee shall be responsible for fostering an overall environment which encourages the achievement of the objectives of this Memorandum. In addition:

(a) The Partnership Committee shall have the authority and responsibility to reach agreement on issues relating to: the objectives set forth in Section 2 of this Memorandum; issues or programs arising under Section 5b(5)(b) ("Workplace Redesign") of this Memorandum, including but not limited to any proposed plans for restructuring the workplace; approval of plant Technological Change Programs as defined in Section 5b(5)(c); and significant issues that may arise relative to the implementation of the Partnership Program at the plants.

(b) In the event that the parties enter into approved Work Redesign Plans, as defined in Section 5b(5)(b) of this Memorandum at the plants at either (i) Fairfield and Mon Valley, or (ii) Fairfield or Mon Valley and Gary Sheet & Tin or Gary Steel, the Union members of the Partnership Committee shall have joint decision-making authority as defined in Section 8 with respect to the Company's annual and long-term business and operating plans as well as significant technological changes as defined in Section 5b(5)(c)(v) of this Memorandum, and the provisions of Section 5b(2)(c) below shall therefore become
effective.

(3) Meetings

(a) The Partnership Committee shall hold meetings at least quarterly in Pittsburgh (or at another location as agreed), before or after, and in conjunction with the regularly scheduled Business Review Meetings. These meetings will be for the purpose of reviewing and ensuring progress in the development and implementation of Partnership programs. A review of and discussion of the current business status and future outlook for the plants will be a regular agenda item at these meetings.

(b) All members of the Partnership Committee shall have the opportunity to attend and participate in the Business Review Meetings held quarterly in Pittsburgh or at a plant site with the USS Executive Committee and plant management. Nothing in this Memorandum shall permit the Union members of the Partnership Committee to participate in the portion of such Business Review Meetings in which the subject matter involves the Company's strategy for collective bargaining negotiations, grievances and other labor relations issues or legal claims, including without limitation, lawsuits or administrative proceedings involving the Union or
by employees of the Company, salaried compensation, management development activities, and similar personnel matters.

(c) In the event that the Company's current practice of holding quarterly Business Review Meetings is changed, the meeting and access procedures established in this paragraph 3 shall be adjusted to be consistent with the changed practice.

(4) Information
The Partnership Committee shall receive detailed and in-depth reports regarding all significant business and labor matters relating to: annual and long-term business and operating plans; technological changes and plans; manpower planning; safety and health measures; customer evaluation; major organizational issues; facilities utilization; and other significant issues and concerns raised by the members of the Committee.

(5) Reports
Consistent with Section 3 above, the Partnership Committee shall report to Local Union and management personnel (who shall include all members of Joint Leadership, Joint Area, or Problem Solving Committees) on matters such as: activities of the Partnership Committee, major issues being considered by the Partnership Committee and information relevant thereto; other information to keep the Local
Union leadership and management informed and capable of further discussion of issues related to the plants and the Union.

(6) Access to USX Board of Directors
The Union members of the Partnership Committee (and their advisors) shall have the right to appear before and be heard by the USX Board of Directors at appropriate times on matters of concern to the Partnership Committee, and such access shall be given as agreed to by the Board prior to the Board reaching a decision on such matters.

(7) Additional Participation Mechanisms
In addition to the meetings provided for Section 5.a.(3) the Company and the Union agree that they will conduct two two-day meetings (the first day for separate meetings for each of the parties for preparation) during each full calendar year covered by the term of this August 1, 1999 Basic Labor Agreement. The meetings will be arranged for and administered by the Co-Chairman of the USS Negotiating Committee. Union participants at the meetings shall include the local union president (or Unit Chairs) and grievance committee chairmen of the facilities covered by this Basic Labor Agreement. The Company will pay reasonable travel expenses (i.e. airfare coach, hotel and
per diem - subject to appropriate documentation) and lost time earnings as determined for vacation pay for such participants, as well as such other employees invited to such meeting by the Union, it being understood that no more than a total of thirty-four (34) employees will receive such payment for any meeting. The Union will be permitted to invite additional participants, at its own expense, including USWA staff. The Company shall select appropriate counterparts to attend such meetings. The meetings will be held in proximity to facility locations.

(8) Process and Control

(a) All Union participants involved in the Partnership process shall be chosen and removed from the process exclusively by the relevant Local Union President (or Unit Chair) and the Union Chairman of the Negotiating Committee.

(b) In the event that the Union determines that it is necessary to engage the services of consultants in connection with the Union-only training provided for in this Appendix, the Company will pay the fees and expenses of such consultants (who will be chosen exclusively by the Union), up to a total of twenty-five thousand dollars ($25,000) per full calendar year.
b. **Joint Leadership Committees**

(1) **Appointment and Composition**

The parties shall establish at each plant a Joint Leadership Committee ("Leadership Committee"). The Leadership Committee shall be composed of an equal number of members for the Company and the Union, unless otherwise agreed. The Company members of this Committee at each plant shall include, at a minimum, the General Manager, the Manager of Employee Relations, and at least three plant or division-level managers, unless otherwise agreed. The Union members shall include, at a minimum, the appropriate District Director, one (1) International Staff Representative, at least one Local Union President for the Union, and such other members as the appropriate District Director shall appoint. If the appropriate District Director is serving on a similar committee at another steel company, the USWA Negotiating Committee Chairman shall appoint an International Staff Representative from the respective District to the Leadership Committee. The General Manager and the District Director (or his appointed replacement) will be the Co-Chairmen of this Leadership Committee.

(2) **Role of the Leadership Committees**

(a) The Leadership Committees will be responsible for developing and implementing programs to achieve the objectives of Section 2 of this Memorandum.

(b) The Leadership Committees shall...
work toward achieving improved productivity levels throughout the plants, bearing in mind the competition in their product lines. To this end, the Leadership Committees shall have the ongoing responsibility to ensure that they and the Joint Area Committees (established below):

(i) Understand and communicate the current state of world-wide competition.

(ii) Identify areas and activities for special emphasis on improvement, and work with the appropriate Joint Area Committees in implementing plans for such improvements.

(iii) Identify and address inter-departmental, inter-divisional or other barriers which are impeding improvement.

(iv) Monitor the management of employees available as a result of productivity improvements and the value received from their efforts.

(v) Establish guidelines and budgets for partnership programs.

(c) In the event that the Union members of the Partnership Committee receive the joint decision-making authority described in Section 8 pursuant to the requirements of Section 5a(2)(b), the Leadership Committees shall also establish measurable performance standards for accomplishment and monitor
progress towards these standards. One of these standards will be quality tons per man-hour. This standard could be improved by increasing quality tons or reducing man-hours or both.

(3) Meetings

The Joint Leadership Committee shall meet monthly (and may meet jointly with other committees) or as otherwise agreed to. These meetings will also provide an opportunity for the Committee to engage in an open and candid exchange of information and ideas in order to identify, investigate and develop solutions to matters and problems of mutual concern.

(4) Information

At each meeting, the Leadership Committee shall discuss the general business affairs of the Company and shall review reports of and discuss the prior month’s business results and the near-term business outlook as it impacts the areas of responsibility of the Leadership Committee. Such discussions will include a comparison of year-to-date results with the current plant business plan, including significant issues and actions impacting the current plant business plan, major developments affecting the future of the business, cost performance, quality performance, and shipments; the production plan for the next month; manpower planning; investment plans for the plant and performance compared to those plans; safety and health performance; activities and needs of any Joint Area committees or Problem
Solving Teams; and other issues and concerns of interest to the parties.

(5) **Scope of Responsibility**

(a) **Existing Programs**

The Leadership Committee shall support current improvement programs and ensure they are consistent with the objectives of this Memorandum. Following the effective date of this Agreement, new improvement programs involving employee participation may not be implemented without approval of the Leadership Committee and, where implemented, shall operate in a manner consistent with the objectives of this Memorandum.

(b) **Workplace Redesign**

(i) **Authorization**

Either at the request of the Partnership Committee or by decision of the Joint Leadership Committee (which shall include the assent of a majority of the Union members of the Joint Leadership Committee), the Leadership Committee may decide upon a Workplace Redesign Plan affecting the bargaining unit. An “Approved Work Redesign Plan” within the meaning of this Memorandum is a Workplace Redesign Plan that includes: the establishment of operating work groups or teams or self-directed work teams or groups; or the implementation of other new and improved ways of performing work as attrition removes bargaining unit employees from the plant or facility.
Appendix U (Contd.)

Approval must be obtained from the Partnership Committee.

(ii) **Required Elements**

Any Workplace Redesign Plan in the bargaining unit that involves the establishment of operating work groups or teams or self-directed work teams or groups must: be a joint endeavor; cause the workplace to be more open, more safe, more equitable, less authoritarian and less stressful; eliminate unnecessary supervision; change the role of supervisors from directing to coaching; and give the workers greater influence, responsibility and input into day-to-day operations, including, if the Committee so determines, planning, scheduling and administrative functions not traditionally performed by bargaining unit members.

(c) **Technological Change**

Each Joint Leadership Committee shall establish a new technology development and implementation program (Technological Change Program) which shall include the following elements:

(i) **Advance Notice.**

The Company shall provide the Joint Leadership Committee advance notice of any proposed significant technological change no later than the time the Company’s outline of various options with respect thereto is first
developed. Such notice shall be in writing, shall contain to the extent possible supporting information outlined below, and shall include updates of new or revised information necessary to full and current understanding of the proposed change. In the case of emergency technological changes, the Company shall give the maximum notice and information possible under the circumstances.

(ii) Information.

Within the time periods referred to above, the Company shall give the Joint Leadership Committee the following information:

- a description of the purpose and function of the technological change, and how it would fit into existing operations and processes;
- the estimated cost of the technology, a cost justification of it, and the proposed timetable for it;
- disclosure of any service or maintenance warranties or contracts provided or required by the vendor (if any);
- the number and type of jobs (both inside and outside the bargaining unit) which would be changed, added, or eliminated by the technological change;
- the anticipated impact on the skill requirements of the work force;
details of any training programs connected with the new technology (including duration, content, and who will perform the training);

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

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

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

Any Technological Change Program proposed by a Joint Leadership Committee shall be subject to the approval of the Partnership Committee.

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

(iii) Union Involvement in Company AU.41

Decisions to Make Technological Changes.
With respect to any Company decision whether to make a technological change, Union representatives on the Joint Leadership Committee may initiate discussion and consideration of technological changes that are new or different from those proposed by the Company. In all events, the views expressed by the Union members of the Committee shall be considered by the Company. In the event that the Union members of the Partnership Committee receive the joint decision-making authority described in Section 8, pursuant to the requirements of Section 5a(2)(b), such joint decision-making authority shall also be exercised over matters covered by this subsection (iii).

(iv) Union Joint Decision-making Authority with Respect to Effects of Technological Change.

The Union members of the Joint Leadership Committee shall have joint decision-making authority, as defined in Section 8, with their Company counterparts over the effects of Company decisions under the immediately preceding sub-paragraph (iii) above, including the following: the number and type of jobs required by the changed technology; the skill and training requirements for each such job; the details of any new or changed training associated with the technology; the inclusion of
such job in the bargaining unit; any new work rules or operating procedures associated with the technology; and any health, safety, or environmental programs required by the technology.

(v) As used herein, the term "technology" shall mean significant advances in machinery, equipment, controls and materials, and changes in software that significantly change the content of bargaining unit jobs. The phrase "technological change" shall mean introduction of new technology, significant changes in existing technology, or both.

c. Area Committees

(1) The Joint Leadership Committees shall establish Joint Area Committees in specific departments, operational units or divisions for purposes as outlined herein, and as agreed to by the parties. The Joint Area Committee co-chair for the Union shall be the grievance committee person for the area (or, if the area covers more than one zone, the grievance committee person designated by the Union Leadership Committee Co-Chair). The co-chair for the Company shall be the Division Manager for the area (or his designee). Additional members of the Joint Area Committee shall be drawn equally from the Company and Union. The Joint Area Committees may, by agreement, invite additional persons as the Committee may deem helpful.
to its purposes. The Local Union President and District Director (or their designated representatives) and the General Manager (or his designated representative) may attend meetings of these Joint Area Committees.

(2) Joint Area Committees shall study matters assigned to them by the Leadership Committee or as they may agree upon and report any findings back to the Leadership Committee. Such matters may relate to, among other things, continuous improvement in quality, customer satisfaction, costs, job enrichment/enhancement, safety, and improved worklife. Upon direction of a Leadership Committee, Joint Area Committees may: (i) devise measurements and goals to meet plans adopted by the Leadership Committee; and (ii) be responsible for communicating plans, results, business information, and overall employee involvement updates to the employees in their area and to the Leadership Committee.

(3) Joint Area Committees shall receive the resources (including problem solving training and information) necessary for them to determine the best solution to specific problems. The Joint Area Committees shall not have the authority to modify, detract, or delete any portion of the Local Seniority Agreement or the Basic Labor Agreement, without the agreement of the Partnership Committee.
d. **Problem Solving Teams**

(1) By joint agreement, the Leadership Committee or Joint Area Committees may create one or more Problem Solving Teams to study and report back on a specific problem or project. They shall receive the resources (including problem solving training and information) necessary for them to determine the best solution to specific problems.

**Section 6. Employee Communications**

a. Critical to the accomplishment of the objectives of this Memorandum is timely, ongoing, and unimpeded communication between and among the committees created by this Memorandum and employees. Accordingly, the parties agree as follows:

(1) The results of any meetings of Joint Committees created by this Memorandum, including the information and opinions exchanged, the conclusions reached, and the level of participation achieved may be conveyed as the parties shall decide to all employees through their working groups by joint communications from Union representatives and department supervision.

(2) Joint Leadership Committees shall encourage behaviors, attitudes, forums, and opportunities that enlist the know-how and ingenuity of workers in achieving the goals of this Memorandum. Joint Leadership Committees may convene meetings of any combination of employees, Joint Area Committees, and Prob-
lem Solving Committees to advance the purposes of this Memorandum.

(3) As the activities fostered by this Memorandum proceed, it is expected that joint committees will need to consult with and observe the work of committees within the plant or at other plants within and outside the Company. The Partnership Committee may consider appropriate means for disseminating reports of the activities of the Joint Leadership Committees, Joint Area Committees or Problem Solving Teams among each other.

Section 7. Safeguards and Resources

a. Except as may be approved by the Partnership Committee, and subject to Section 2-B-5 of the Basic Labor Agreement, no joint committee may amend or modify the Basic Labor Agreement.

b. No committee authorized by this Memorandum may effect any action with respect to contractual grievances.

c. Service on any Joint Leadership, Joint Area, or Problem Solving Committee or Team created under this Memorandum shall be voluntary.

d. The Union will strive to be a full participant in the processes and mechanisms established by this Memorandum and bargaining unit employees will be encouraged and expected to perform their duties within the parameters established hereunder. However, no employee may be disciplined or discharged for lack of commitment to participation or involvement processes.
Appendix U (Contd.)

e. Employee participation and training shall normally occur during normal work hours and the employee shall be compensated in the same manner as set forth in Section 4.d. above.

f. No committee established under this Memorandum may recommend or effect the hiring, discipline, or discharge of any employee.

g. At the invitation of the Co-Chairs of any committee created hereunder, appropriate Union representatives, Company representatives or outside experts may attend a Committee meeting.

h. All meeting time and necessary and reasonable expenses of joint committees shall be paid for by the Company and employees attending such meetings shall be compensated in the same manner as set forth in Section 4.d. above. The parties will develop procedures for determining appropriate expenses to be paid by the Company.

i. Union members of joint committees 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 Section 4.d. above. Requests for caucus time shall be made to the appropriate Company management representative in a timely manner, and such requests shall not be unreasonably denied.

j. Joint committees may agree to employ experts from within or outside the Company as consultants, advisors or instructors and such experts shall be jointly selected and assigned.
Appendix U (Contd.)

Section 8. Final Decision Making

Authority

a. The parties have entered into this Partnership Agreement for the purpose of making the Union and the employees participants in the joint decision making process of the Company. After sharing information and fully discussing and exchanging ideas and fully considering all views about issues of mutual interest and concern to the parties, decisions should be reached that are satisfactory to all. However it is understood that the parties may not always agree.

b. With respect to Section 5a(2)(a) and Section 5b(5)(c)(iv) and (should they become operative) Section 5a(2)(b) and Section 5b(5)(c)(iii), and after the Union members of the Partnership Committee and Joint Leadership Committees, respectively, have been given a full opportunity to be heard and their views fully considered, the management person responsible for the matter shall have the right to make the final decision in the event of disagreement regarding a matter as to which, absent this Memorandum, management has the right to make a unilateral decision, and such decision shall not be subject to the grievance procedure. Similarly, with respect to other management committees on which Union representatives will participate by reason of this Memorandum, after the Union representatives have been given a full opportunity to be heard and their views fully considered, the management person responsible for the matter shall have the right to make the final decision in the event of disagreement regarding a matter as to which, absent
Appendix U (Contd.)

this Memorandum, management has the right to make a unilateral decision, and such decision shall not be subject to the grievance procedure.

c. With respect to any matter in this Memorandum which deals, in part, with various matters as to which Management has not heretofore had the unilateral right to make decisions, this Memorandum gives Management no greater right to make unilateral decisions regarding such matters than it would have in the absence of this Memorandum.

d. Finally, while the final decisions of Management with respect to matters over which, absent this Memorandum, Management has the unilateral right to make a decision are not subject to the grievance procedure, the process of decision making (including the full participation of the Union representatives and employees in the process as provided in this Memorandum and the Company's commitments concerning information, access, and training in this Memorandum) is subject to the grievance procedure and arbitration. As to a particular decision, the Company's failure to follow the procedural requirements of this Memorandum shall not be the basis for preventing the implementation of that decision. Should the parties be unable to agree on a specially designated arbitrator to hear and decide any such dispute concerning procedural requirements, the dispute shall be heard and decided by the Board of Arbitration.
APPENDIX U-1
LETTER AGREEMENT ON PARTNERSHIP

August 1, 1999

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

During the course of negotiations leading to the August 1, 1999 Basic Labor Agreement, the Union expressed great concern that existing participative structures already in place at plants meet the standards, objectives, partnership mechanisms, roles and union oversight set forth in Appendix U - Memorandum of Understanding on USS/USWA Partnership. In the event that the Union believes that any such structure is operating in a manner inconsistent with the above, the Chairman of the Union Negotiating Committee shall bring that matter to the attention of the Chairman of the Company's Negotiating Committee. The Co-Chairman shall investigate the matter fully, utilizing whatever resources they deem necessary, ascertain the facts, and thereafter address the matter to their mutual satisfaction.

Very truly yours,

/s/ T. W. Sterling

T. W. Sterling
Vice President
Employee Relations
APPENDIX V
EMPLOYEE PROTECTION/JOB REALIGNMENT AGREEMENT

During the course of 1986-87 collective bargaining negotiations, the Union stressed the need to provide inducements for more senior employees to elect retirement and to provide job opportunities for those more junior employees who are laid off or whose opportunities for steady employment are uncertain. The Company stressed the need to attain manning procedures to preserve the Company's competitive base and its ability to be a sustaining employer. The parties shared their respective concerns as part of the mediation process and the Mediator urged certain solutions.

To resolve their respective concerns, and notwithstanding any other provision of the Basic Labor Agreement (BLA), the parties agree as follows:

The Union and the Company agree to the implementation of these employee protection and manning procedures adopted in this Employee Protection/Job Realignment Agreement (herein "Agreement") applicable to covered facilities in the February 1, 1987 BLA. These protections and procedures will be accomplished as agreed herein accommodating the needs of both the Union and the Company by providing for: (1) two special pensions with supplements for each employee removed from the workforce as a result of job realignments, (2) a commitment to recall from layoff at least one employee...
for every two special pensions granted under this Agreement, and (3) a commitment to achieve the job realignments and manning change as spelled out in this Agreement.

I. Governing Principles

A. "Special Pension", as used herein, shall mean a 70/80 pension under "mutually satisfactory conditions", a 62/15 pension or a 65/10 pension supplemented by an "Increased Pension" ($400 per month supplement) as provided in Section II-A below.

B. In each of the affected facilities, the Company shall grant two such Special Pensions for each employee removed from the workforce as a result of the application of this Agreement.

C. In each of the affected facilities, the Company shall recall from layoff at least one employee for every two employees granted a Special Pension pursuant to this Agreement. Such employees shall be recalled as soon as practicable, consistent with the operating and maintenance needs at each such facility. Full realization of the recall commitment shall occur not later than such time as the level of operations at each such facility reaches the level upon which the agreed-upon Aggregate Numerical Commitment was based. Such recall shall be made in accordance with the seniority provisions of the Basic Labor Agreement (BLA) and applicable local agreements.

D. Any employee who may be displaced from his incumbent job to a lower paying job as a result of this Agreement shall be provided a personal out-of-line differential in accordance with, and subject to, the provisions of Section X-D below.
II. Special Pension

A. With respect to any affected facility at which job realignment is accomplished by application of this Agreement, the Company shall grant two Special Pensions for each employee removed from the workforce by the effect of this Agreement. The total for each such facility is referred to herein as the “Guaranteed Allotment” of Special Pensions for that facility. Such pensions shall be offered to employees eligible under the applicable pension rules in order of longest continuous service.

B. For purposes of this Agreement and not-withstanding anything to the contrary contained in the Pension Agreement:

1. Any employee granted a 70/80 pension under mutually satisfactory conditions under this provision shall receive an increased Pension ($400 per month supplement), as defined in the Pension Agreement, commencing with the first month for which such employee receives a regular pension and terminating in the month in which the twelfth payment is made, or, if later, the month in which such employee attains age 62;

2. Any employee granted 62/15 or 65/10 retirement under this provision shall receive an Increased Pension ($400 per month supplement), commencing with the first month for which such employee receives a regular pension and terminating in the month in which the twelfth payment is made.

Nothing herein shall require that any payment of an Increased Pension supplement shall be made for any month following the month in which an employee dies.
C. Special Pensions shall be granted in each division, department or such other unit within the affected facility as may be determined by the joint implementation committee pursuant to Section IX-B below.

D. In the event an eligible employee in an affected facility refuses to accept a Special Pension offered pursuant to the terms of this Agreement, it shall be offered to the next eligible employee in order of continuous service and so on, until the Special Pension is accepted.

E. If the Guaranteed Allotment of Special Pensions at an affected facility is not exhausted following completion of the procedures described above or because there is an insufficient number of eligible employees at the affected facility, the unused number shall be retained for future use in that facility. In such event, as an employee in the facility becomes eligible under the applicable pension rules, the Company will offer him a Special Pension in accordance with the procedures described above until the number of Special Pensions granted equals the Guaranteed Allotment for that facility.

F. After notice to the joint implementation committee and provided retention is necessary to assure continuity of operations, the Company may retain in active employment any employee who accepts a Special Pension for a reasonable period of time not to exceed 180 days after the date he otherwise would have retired.

III. Trade & Craft Revisions

A. Subject to the provisions of Sections I, II, and VIII-A of this Agreement, the following
craft jobs may be implemented by the Company at any affected facility in accordance with the provisions of this Agreement:

1. Motor Inspector (Expanded) as identified in Appendix D of the March 1, 1983 BLA and as provided for in Exhibit 1 in the February 1, 1987 Settlement Agreement.

2. Millwright (Expanded) as identified in Appendix D of the March 1, 1983 BLA and as provided for in Exhibit 2 in the February 1, 1987 Settlement Agreement.

3. Ironworker as identified in Appendix D of the March 1, 1983 BLA and as provided for in Exhibit 3 in the February 1, 1987 Settlement Agreement (to include the collective duties of the existing crafts of Boilermaker, Rigger and Welder).

4. Mechanical and Hydraulic Repairman as identified in Appendix D of the March 1, 1983 BLA and as provided for in Exhibit 4 in the February 1, 1987 Settlement Agreement.

5. Systems Repairman, a new trade and craft job as provided for in Exhibit 5 in the February 1, 1987 Settlement Agreement (replacing the existing trade and craft jobs of Electronic Repairman and Instrument Repairman).

B. In implementing the new or revised trade and craft jobs listed in Section III-A above, the following shall apply:

1. Millwright (Expanded), Motor Inspector (Expanded), Ironworker and Systems Repairman.
   a. For purposes of this Section III-B-1,
"Incumbent” shall refer to an employee who is an incumbent in an existing craft to be replaced by the new or revised crafts of Millwright (Expanded), Motor Inspector (Expanded), Ironworker and Systems Repairman, as set forth in paragraph A above.

b. An incumbent who can perform the full scope of his respective revised craft shall be immediately assigned to the Standard Job Class rate of the revised craft. However, such incumbent shall have the right to retain his current craft position and current rate of pay while receiving adequate training and work assignments as discussed in paragraph c. below.

c. An incumbent who cannot presently perform the full scope of his respective revised or new craft will retain his current craft position and his current rate of pay while receiving reasonable and adequate training, including work assignments to enhance his knowledge of the requirements of the revised craft, including such training as is determined by the joint Union-Management craft training committee provided for in Section III-E below. An incumbent who, after receiving training as provided above, is unable to perform the full scope of his respective revised or new craft will retain his current craft incumbency.

2. Mechanical and Hydraulic Repairman.
   a. A vacancy in the new craft job of Mechanical and Hydraulic Repair-
man will be posted and awarded in accordance with Section 13 of the BLA from among bidding employees who have achieved the standard rate of the existing crafts of Millwright (Expanded) or Machinist.

b. A successful bidder who can perform the full scope of the new craft shall be immediately assigned to the Standard Job Class rate of the new craft.

c. A successful bidder who cannot perform the full scope of the new craft shall have the right (i) to retain his current craft position and current rate of pay or (ii) be assigned to the new craft position, but retain his current rate of pay while given reasonable and adequate training and work assignments to enhance his knowledge of the requirements of the new craft, including such training as is determined by the joint Union-Management craft training committee provided for in Section III-E below.

d. A successful bidder who, after receiving training as provided above, is unable to perform the full scope of the new craft shall be assigned to his previous incumbent craft position and the resulting vacancy in the new craft will be posted in accordance with the provisions of this Section III-B-2.

C. All testing to determine the ability of an employee to perform the full scope of the new or revised craft will be conducted in accordance with the requirements of
Appendix F of the BLA and no employee shall be tested with respect to an aspect of the new or revised craft upon which he has not been afforded an opportunity to train.

D. An employee working in one of the revised or new crafts referred to above may be assigned to perform any work set forth in the working procedure of that revised or new craft.

E. The local parties shall form a joint Union-Management craft training committee by March 1, 1987 consisting of no more than three members appointed by Management and no more than three members appointed by the Union. It shall be the function of this committee, in coordination with the Headquarters Representatives of the Company and the International Union:

1. To develop training necessary to carry out the provisions of the trade and craft revisions agreed to herein, and

2. To oversee the implementation of training on an expeditious basis.

F. The fact that incumbents do not attain the standard rate of the new or revised craft shall not be considered in determining "relative ability" for purposes of layoff or recall, provided that an employee or employees who have attained the standard rate of the new or revised craft may be retained only to the extent that duties of the new or revised craft are necessary to be performed under the reduced operating conditions.

G. The new and revised crafts referred to in this section shall be added to the list of trade or craft jobs contained in Section 9-B.
of the BLA. The respective classifications and descriptions of such new or revised crafts shall be added to the Job Description and Classification Manual.

H. The new or revised crafts referred to in this section shall be classified in accordance with the classifications attached to the job descriptions which constitute composite Exhibits 1 through 5 in the February 1, 1987 Settlement Agreement.

IV. Team Leader

The Company may install for each work team the new bargaining unit jobs of Team Leader (Mechanical Maintenance), Team Leader (Electrical Maintenance), or Team Leader (Production and Service), attached as Exhibits 6-8 in the February 1, 1987 Settlement Agreement. A Team Leader shall be responsible to lead the overall task execution by the work team, perform administrative functions, and participate in hands-on performance of his team's work. Nothing in this provision or the referenced job descriptions is intended to displace or to eliminate jobs within the office, technical and professional bargaining units. A Team Leader will be paid at a rate three job classes above the highest classified job over which he exercises leadership. Each Team Leader job shall be posted and thereafter awarded in accordance with the provisions of Section 13 of the BLA from among those bidding employees qualified to perform the jobs over which leadership is to be exercised and who have satisfactorily completed a voluntary leadership training program provided at the Company's expense outside the employee's regularly scheduled working hours. Each such employee shall receive his standard hourly wage rate for hours spent in such training.
V. Equipment Tender

Subject to the provisions of Sections I and II above, the position of Equipment Tender (Mechanical or Electrical) may be implemented at any affected facility only in accordance with the procedures of Section IX-B below. If, pursuant to such procedures, the position of Equipment Tender is installed at any affected facility, the following shall apply:

A. The job of Equipment Tender (Mechanical or Electrical) will be filled in accordance with Section 13 of the BLA from among bidding incumbent craft employees having the mechanical or electrical skills necessary to maintain the operating facility to which the posted position is assigned. The crafts eligible for bidding on each Equipment Tender position shall be determined by the joint implementation committee.

B. An employee awarded the job of Equipment Tender will operate equipment or will maintain or repair equipment consistent with his craft skills.

C. An incumbent craft employee awarded the job of Equipment Tender shall be paid the rate of his incumbent craft and shall, in addition, participate in any operating incentive applicable to the equipment which he is assigned to operate. Provision shall be made to insure that incentive earnings will not suffer a negative impact by reason of the implementation of this provision.

VI. Remanning

Subject to all of the provisions and pro-
Appendix V (Contd.)

Sections of Sections I, II, and VIII-A of this Agreement, and notwithstanding any other provision of the Basic Labor Agreement, the Company shall have a one-time opportunity to reman each affected facility, to be completed by June 30, 1987, including crew composition changes, job realignments and a definition of new jobs and seniority units necessary to achieve the objectives and commitments of this Agreement.

VII. Incumbents on production rated jobs may be assigned to perform minor maintenance or adjustments, not requiring craft skills, on production equipment on operating turns.

VIII. Aggregate Numerical Commitment

A. The parties agree that the aggregate number of employees to be removed from the workforce in recognition of the Special Pension and recall commitment ("Aggregate Numerical Commitment") by the implementation of this Agreement shall be 1,346, based upon the level of operations and the work performed during the representative period beginning April 1, 1986 and ending April 30, 1986.

B. The following shall apply in achieving this commitment:

1. It shall be conclusively presumed that every employee who retired after June 30, 1986 and prior to February 1, 1987 has been replaced.

2. The above Aggregate Numerical Commitment shall be independent of any increase in the workforce which may result from the implementation of the new contracting out provision of the February 1, 1987 BLA, including any increase resulting from the retrieval of
work previously contracted out.

3. The above Aggregate Numerical Commitment cannot be adjusted as a result of any arbitration proceeding under Section IX below.

IX. Job Realignment Procedure

A. The Aggregate Numerical Commitment agreed to by the parties shall be achieved within 105 days from the date the Company's implementation plan is received by the Union pursuant to Section IX-B-3 below.

B. With respect to any affected facility, the procedure shall be as follows:

1. The local parties shall appoint a joint implementation committee by February 15, 1987 consisting of 3 members appointed by Management and 3 members appointed by the local union. It shall be the function of this committee, in coordination with headquarters representatives of the Company and the International Union, to implement the realignments provided for, utilizing the procedures set forth herein.

2. The Company members of the joint committee shall submit a proposal which identifies:

   a. Each new trade and craft job to be implemented;
   b. Any existing trade and craft jobs to be retained or modified;
   c. Each operating position to be replaced by Equipment Tender positions;
   d. Affected jobs;
   e. New jobs and changes in crew
composition, job realignments, and seniority units;
f. The total number of employees affected;
g. The employees who would be pensioned, promoted, or otherwise reassigned as a result of such proposal.

3. The Union members of the committee shall respond no later than 30 days following receipt of the Company's proposal.

4. In the event the implementation committee is unable to reach local agreement with respect to the implementation of this Agreement within 60 days after receipt of the Company's proposal, the matter shall be submitted for arbitration to the Board of Arbitration at the top of the docket.

5. In considering any such appeal, the arbitrator shall be bound by the following:
   a. The Aggregate Numerical Commitment set forth in Section VIII.
   b. The most equitable means of achieving said projection at the facility utilizing all manning realignment procedures set forth in this Agreement.
   c. Agreements with respect to craft revisions and job realignments reached prior to July 31, 1986.
   d. The stated objectives of this Agreement.

6. The arbitrator shall render his award on or before 105 days from the date of the Company's implementation plan issued
Appendix V (Contd.)

under Section IX-B-2 of this Agreement.

X. General Provisions

A. Any existing local agreements and practices AV.33 shall be modified only to the extent necessary to implement this Agreement. Accordingly, this Agreement supersedes any agreements or practices which prevent or inhibit its orderly implementation.

B. If the Company believes that changes in existing seniority units are necessary to implement this Agreement, it shall include such change within the plan submitted in accordance with Section IX above. In the event the local parties are unable to agree, the matter shall be a subject of the arbitration award set forth in Section IX. All modifications in existing seniority units shall be consistent with the BLA and subject to approval by the Audit and Review Committee.

C. Effective on the date of this Agreement, a AV.35 job description and classification for each of the new or revised crafts identified in Section III-A of this Agreement at those plants where these jobs have previously been implemented shall be modified consistent with Exhibits 1-5, respectively, in the February 1, 1987 Settlement Agreement.

D. Any incumbent displaced from his job to a AV.36 lower paying job as a result of application of this Agreement shall be provided a personal out-of-line differential for all hours worked in such amount as may be required to equal the earnings that otherwise would have been realized by the employee if he had remained on his incumbent job. An employee shall be disqualified from receiv-
ing such out-of-line differential if that employee (i) is assigned to a job with lower earnings opportunity due to his own request, or (ii) has failed to accept assignment, or to assert assignment rights, to a job with higher earnings opportunities.

E. No employee shall suffer a loss in incentive earnings merely as a result of this Agreement or its application.

F. The seniority rights of employees displaced as the result of this Agreement or its application shall be dealt with in accordance with the applicable local seniority agreement or, if the local parties mutually agree, in the agreement or determination established pursuant to Section IX above.

G. During the implementation period of this Agreement, the appropriate grievance representatives shall conduct a review of all jurisdictional, seniority, scheduling and manning grievances pending as of the date of this Agreement for the purpose of resolving those disputes short of arbitration. Each party shall appoint a Headquarters Representative to assist in said review. Any grievance which is not resolved during this review period shall continue to be processed under the grievance and arbitration procedure described in Sections 6 and 7 of the Basic Labor Agreement.

APPENDIX V-1
LETTER AGREEMENT ON
AGGREGATE NUMERICAL COMMITMENT

February 1, 1987

Mr. James N. McGeehan, Chairman
Union Negotiating Committee
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, Pennsylvania 15222  

Dear Mr. McGeehan:

During the course of the 1986-87 collective bargaining negotiations, the Union and the Company agreed to implement an Employee Protection/Job Realignment Agreement (herein "Agreement"). This will confirm our understanding and agreement that, notwithstanding any other provision of the BLA or the Agreement, that Exhibit A, below, defines the "Aggregate Numerical Commitment", as that term is used in the Agreement, and that such exhibit further defines the agreed-upon allocation of the Aggregate Numerical Commitment by identifying the agreed reductions to be effected at each facility listed thereon as a result of the job changes set forth in the Agreement.

This will confirm our further understanding and agreement that in the event that the local parties at any Company facility not listed on Exhibit A, below, mutually agree during the term of the February 1, 1987 BLA to adopt the job changes described in the Agreement, they shall also adopt the Agreement's employee protection provisions (including, but not limited to, two-for-one pensions, recall commitment, out-of-line differential, incumbency rights, incentive protection, etc.) which are applicable to any such job changes under the Agreement.

Very truly yours,

/s/ J. Bruce Johnston  
J. Bruce Johnston  
Executive Vice President  
Employee Relations  
USX Corporation
Confirmed:

/s/ James N. McGeehan

James N. McGeehan
United Steelworkers of America
EXHIBIT A

It is the commitment of the parties that, in exchange for the employee protection provisions set forth in Sections I and II and elsewhere of the Employee Protection/Job Realignment Agreement ("Agreement"), the aggregate number of employees to be removed from the work force as a result of the implementation of the Agreement shall be 1,346 and, further, shall be allocated as follows:

<table>
<thead>
<tr>
<th>Plant</th>
<th>Total Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairless</td>
<td>422</td>
</tr>
<tr>
<td>Irvin</td>
<td>139</td>
</tr>
<tr>
<td>Gary Steel</td>
<td>268</td>
</tr>
<tr>
<td>Gary S&amp;T</td>
<td>123</td>
</tr>
<tr>
<td>South</td>
<td>83</td>
</tr>
<tr>
<td>Lorain</td>
<td>188</td>
</tr>
<tr>
<td>Minntac</td>
<td>123</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,346</strong></td>
</tr>
</tbody>
</table>

APPENDIX V-2

LETTER AGREEMENT ON EQUIPMENT TENDER POSITION

February 1, 1987

Mr. James N. McGeehan, Chairman
Union Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, Pennsylvania 15222

Dear Mr. McGeehan:

This will confirm our understanding and agreement that, in the event an incumbent craft employee is awarded the job of Equipment Tender in accordance with Section V of the Employee Protection/Job Realignment Agreement and is assigned to an operating
position which carries a higher wage rate, such employee shall be paid the higher wage rate.

Very truly yours,

/s/ J. Bruce Johnston

J. Bruce Johnston
Executive Vice President
Employee Relations
USX Corporation

Confirmed:

/s/ James N. McGeehan

James N. McGeehan
United Steelworkers of America

APPENDIX V-3
LETTER AGREEMENT ON PENSION BANK FACILITIES

February 1, 1987

Mr. James N. McGeehan, Chairman
Union Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, Pennsylvania 15222

Dear Mr. McGeehan:

During the course of the 1986-87 collective bargaining negotiations, the Union and the Company agreed to an Employee Protection/Job Realignment Agreement (herein “Agreement”), which provided for certain employee protections, including a commitment to recall one employee for every two employees granted a Special Pension pursuant to the Agreement (“Recall Commitment”). The parties recognize that operation of the Recall Commitment in facilities where Special Pensions are retained for future use pursuant to Section II-E (“Pension Bank Facilities”) could, under certain
circumstances, negatively impact the job realignments and other commitments provided by the Agreement.

Accordingly, this will confirm our understanding and agreement that in Pension Bank Facilities, the Recall Commitment shall be applied in a manner which is consistent with the objectives and protections provided for in the Agreement, but which does not negate the job realignments or other commitments nor diminish the allocated portion of the Aggregate Numerical Commitment applicable to such facilities. At each Pension Bank Facility, the Company will give to the local union periodic reports as to the number of Special Pensions retained for future use, the utilization of such Special Pensions, and the recall of employees pursuant to the Recall Commitment.

Very truly yours,

/s/ J. Bruce Johnston
J. Bruce Johnston
Executive Vice President
Employee Relations
USX Corporation

Confirmed:

/s/ James N. McGeehan
James N. McGeehan
United Steelworkers of America
APPENDIX W
LETTER AGREEMENT ON
IMPROVEMENT PROGRAMS
August 1, 1999

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

During the term of the February 1, 1994 Basic Labor Agreement the local parties had the authority to agree to incentive programs that provided for a compensation bonus to employees based upon the degree of measurable improvements in the operation of the business. The parties agree that there is a local interest in establishing new, revised or continued programs.

This will confirm our understanding that such programs may be agreed to at the local level during the term of this August 1, 1999 Basic Labor Agreement by written agreement of the applicable Local Union Presidents and the responsible Manager-Employee Relations. These programs should include production and maintenance, clerical and technical and plant protection employees. The parties should structure such programs so that employees benefit fairly for their contribution to on-going measurable improvements in the operation of the business.

Very truly yours,

/s/ T. W. Sterling

T. W. Sterling
Vice President
Employee Relations
CONFIRMED:

/s/ Andrew V. Palm

Andrew V. Palm
United Steelworkers of America

APPENDIX X
LETTER AGREEMENT REGARDING WORK AND FAMILY

August 1, 1999

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

This will confirm our agreement concerning work and family needs.

The Company and the Union recognize the changing needs of working families, particularly in regard to childcare, elder care and dependent care. They also recognize that the specific needs of each employee are highly individualized, and that employees may need assistance in finding effective responses thereto.

Therefore, the Company and Union at each Plant will designate representatives to review and assess the work and family concerns of employees at their facility. Such representatives will assess the extent of the needs there and attempt to develop effective responses to those needs.

In furtherance of their commitment to this joint effort, the Company and the Union will each designate a contact to provide guidance and assistance to the local representatives upon request.
Within one year of the effective date of the 1999 Labor Agreement, the local representatives will:

(a) Determine the extent of needs at their plant;

(b) Gather information concerning public agencies, private concerns and other resources within the appropriate community and make such material available to any interested employee, upon request;

(c) Consider alternative responses and implement them, where appropriate; and

(d) Report findings to their respective Union and Company contacts, who will disseminate the information to other plants with similar needs that require effective responses.

Very truly yours,

/s/ T. W. Sterling
T. W. Sterling
Vice President
Employee Relations

CONFIRMED:

/s/ Andrew V. Palm
Andrew V. Palm
United Steelworkers of America
APPENDIX Y
LETTER AGREEMENT ON
THE ORIENTATION OF NEW
EMPLOYEES
August 1, 1999

Mr. Andrew V. Palm, Chairman
Union Negotiating Committee
1945 Lincoln Highway
North Versailles, PA 15137

Dear Mr. Palm:

This will serve to memorialize our agreement concerning the orientation of new employees hired by the Company within the bargaining units covered by the collective bargaining agreement.

The Union and the Company confirm their agreement to share equally the cost of implementing and maintaining the program as outlined below. However, any expense for the program must have the approval of the USW and the Company. The United Steelworkers of America and the Company agree that each will be responsible for the wages and salaries paid to their respective employees under the program.

The New Employee Orientation Program as agreed shall include the following:

- The development of any necessary audiovisual materials.

- An introduction of plant management officials, International Union officials, and Local Union representatives as may be appropriate.

- Distribution and discussion of the USWA/USS Basic Labor Agreement including any relevant local agreements, the probationary period, and the grievance procedure.
Appendix Y (Contd.)

- Discussion of safety and health programs and safe working procedures.

- Presentation and discussion on labor/management participation, problem solving, communications, and the role of labor, management, and the work force in quality and customer satisfaction.

- Discussion of the history and achievements of the United Steelworkers of America and the particular Local Union.

- 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.

- Presentation on the history of the Company and the plant.

- Review of the markets in which USS participates; the products produced and the customers serviced.

- Discussion of the structure of USS, the plant organization, and the functions and services that are provided by the various departments.

An opportunity for Questions and Answers shall be provided to participants in all of those sessions. It is further agreed that the United Steelworkers of America or USS may separately supplement the orientation program to address specific issues of concern to the Union or the Company.

In addition, and separate and apart from the above, within ten (10) days of the completion of their probationary period, the Company shall provide each employee with four (4) hours of paid time off (at their regular rate of pay) to attend an orientation session conducted by the Union at a location designated by the Union.
Dear Mr. Palm:

APPENDIX Z
LETTER AGREEMENT ON RETIREE DUES AND DEDUCTIONS

Mr. Andrew V. Palm, Chairman
Union Negotiating Committee
1945 Lincoln Highway
North Versailles, PA 15137

Dear Mr. Palm:

This will confirm our understanding regarding retiree dues deductions for SOAR; and retiree and active employee deductions for PAC contributions.

1. In 1987 the company agreed to deduct dues and PAC contributions from the pensions of retirees who submit authorization for such deductions from their pension on a form acceptable to the company.

2. The company will similarly deduct PAC contributions from the pay of active employees who have submitted authorization for such deductions from their wages on a form acceptable to the company.

3. The union shall indemnify and save the company harmless against any and all claims, demands, suits, or other forms of liability that shall arise out of or by reason of action taken or not taken by the company for the purpose of complying with any provisions of these under-
standings, or in reliance of any list, notice or assignment furnished under any of such provisions.

Very truly yours,

/s/ T. W. Sterling
T. W. Sterling
Vice President
Employee Relations

Confirmed

/s/ Andrew V. Palm
Andrew V. Palm
United Steelworkers of America

APPENDIX AA
MEMORANDUM OF UNDERSTANDING ON FAMILY AND MEDICAL LEAVE ACT

The Company and the Union affirm their compliance with and implementation of the Family and Medical Leave Act of 1993 (FMLA) and further agree to the following particulars regarding employee eligibility and entitlements. Nothing in this Appendix shall be construed to provide lesser benefits than required under Federal law.

1. General

A. The FMLA provides for up to 12 weeks of unpaid leave each year for eligible employees to take care of a serious health condition of certain family members or of employees themselves, and for the birth, adoption or foster placement of a child. The law also requires the continuation of certain benefits under certain conditions while on leave and includes certain notice requirements in order to obtain the leave.
Appendix AA (Contd.)

B. A copy of a summary of the law and employee rights thereunder is available at the Employee Relations Office 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.

C. FMLA under this Appendix shall be available to any employee who has six months or more of continuous service as calculated pursuant to Section 13 of this Agreement.

D. This Appendix shall become effective on February 1, 1994. Any covered employee then on leave of absence which would otherwise be covered under the FMLA will be designated on FMLA leave beginning February 1, 1994.

2. Eligibility and Entitlement

A. There shall be no hours worked requirement for the twelve (12) months preceding the start of the leave.

B. The twelve (12) weeks unpaid leave entitlement under the FMLA shall be measured on a rolling twelve (12)-month period measured backward from the date any FMLA leave is used.

3. Intermittent or Reduced Leave Scheduling

A. An employee seeking leave in other than continuous weeks must certify to Management why such schedule is necessary and must schedule the time off in the manner least disruptive to the Plant's operating needs.

B. Where leave is sought other than in full day increments, the employee may be assigned by Management to any available position
consistent with the collective bargaining agreement and paid an equivalent rate for that position, for the portion of the shift actually worked. The employee may not displace anyone who was assigned to the employee's normal position for the period of absence except at Management's discretion.

C. Where leave is sought in increments of less than a full workweek, if Management, consistent with the collective bargaining agreement, is able to accommodate the need for time off by adjusting the employee's work schedule (including, but not limited to, altering the shift assignment or the scheduled workdays), no leave need be provided.

D. Where leave is requested in other than continuous weeks and where Management considers it desirable to do so in order to avoid disruption to the operation, absent mutual agreement between the parties, the employee may be assigned to an open comparable position, without regard to the employee's own seniority, for the period of time during which intermittent leave may be required. The employee shall be paid an equivalent rate for the assigned position.

4. Notice
A. In the case of unforeseeable leave sought for care of the serious health condition of the employee or a family member, the Department Head and Employee Relations Office shall be notified as soon as possible (within forty-eight (48) hours) of learning of the need for leave and explain the need, expected duration and schedule of the leave.

1. In the case of such leave, following the initial notice provided above, a written notice shall be provided as soon as pos-
sible, but in no event more than fifteen (15) calendar days from the time the need for the leave arises. This notice shall be accompanied by a certification signed by the attending physician or other health care provider and shall include:

(a) the date on which the condition commenced;
(b) the probable duration of the condition;
(c) appropriate medical information regarding diagnosis, regimen of treatment and need for hospitalization, sufficient to enable the Company to reasonably review the request; and
(d) medical information for employee's serious health condition that he is unable to perform work or for family member, why it is necessary for the employee to provide care to the family member and an estimate of the amount of the employee's time which is necessary for that care.

2. Where the leave is to be taken in other than a single continuous period of time, the notice shall also include:

(a) the dates on which the medical treatment is expected to be given;
(b) the duration of such treatment;
(c) the medical necessity for leave to be granted on an intermittent basis;
(d) the expected duration of the need for an intermittent schedule.

3. Certification forms can be obtained from the Employee Relations Office.
5. Pay During FMLA Leave

A. Employees seeking FMLA leave under this Appendix may be required by management to utilize up to one week of unused paid vacation in either single days or a full week.

B. An employee may request to utilize additional paid vacation during the FMLA leave time. Management reserves the right to approve such a request where it involves a change in the vacation schedule.

C. Except for the substitution of paid vacation and the utilization of Sickness and Accident, Sick Leave (O&T Employees only), or Workers' Compensation benefits, all time off provided shall be unpaid. Time off without pay granted pursuant to the FMLA shall be considered as time not worked through choice of the employee and may not be utilized in connection with a claim by the employee under any provision of this Agreement for any wages, benefit or entitlement, eligibility for which is related to hours worked unless the employee otherwise meets the eligibility requirements for such wage, benefit or entitlement. This exclusion includes, but is not limited to, such matters as reporting pay, overtime, profit-sharing, rate retention, guaranteed hours, holiday pay, service bonus, earnings protection, or short week benefit.

6. Termination of Leave

A. An employee who wishes to return from leave prior to the scheduled return date must give the Department Head and Employee Relations Office twelve (12) days notice of his desire to return, unless the Employee Relations Office agrees to a shorter period in a particular case.
Appendix AA (Cont'd.)

B. An employee on a leave under this Appendix is not eligible for Supplemental Unemployment Benefits in the event of a layoff, until following the termination of the leave.

7. Continuous Service
Leaves of absence under this program shall not constitute a break in the employee's length of continuous service and the period of such leave shall be included in his length of continuous service under the labor and benefit agreements.

8. Benefit Continuation
A. All employees will continue in benefit coverage during such leave, provided the employee is otherwise eligible for such coverage under provisions of the FMLA and the employee continues making any normally-required premium or other payments in a manner acceptable to the Company.

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 will waive its right to seek to recover health insurance premiums for health insurance coverage provided by the Company during such leave notwithstanding the provision of the FMLA which permits recovery of health insurance premiums under specified circumstances.

9. Good Faith Efforts
In the event problems develop in implementing this Appendix, whether as a result of changes in the law or regulations or otherwise, the parties agree to use their best efforts to resolve them in a manner designed to assure minimal disruption to the operation, minimize absenteeism and provide an employee the time
necessary to meet family and personal emergencies and obligations.

APPENDIX BB
LETTER AGREEMENT REGARDING
STAND UP FOR STEEL

August 1, 1999

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

Over the years, USS, Division of USX Corporation ("the Company") and the United Steelworkers of America ("the Union") have often worked together on matters affecting the domestic steel industry and to further their joint objectives on those matters.

Beginning with the 1994 National Policy for Steel Agreement, the parties have expanded their efforts to include not only international trade but also enhancing economic development, insuring sound national fiscal and monetary policies, environmental policies and supporting appropriate national health care policies.

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

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

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

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

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

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

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

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

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

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

1. SUFS will be financed by a credit in the amount of $0.075 per ton shipped commencing with the month of August, 1999, plus any remaining accrued contribution from the 1994 Steel Industry Strategic Study. The parties will develop a report form to track accrued obligations and expenditures on a regular basis.

2. The new organization will have a Governing Board consisting of an equal number of Union and Company representatives. The Board will be co-chaired by the USWA International President and a CEO selected by the participating Companies.

3. The parties will jointly recruit all American steel (carbon and stainless) and iron ore companies and others to join the organization under the terms described herein. The Company agrees to work with the other participating companies so that the company representatives on the Governing Board will represent the interest of all participating companies.

4. All activities conducted under the banner of Stand Up For Steel shall be approved by the Governing Board.

Very truly yours,

/s/ T. W. Sterling
T. W. Sterling
Vice President
Employee Relations
APPENDIX BB-1
LETTER AGREEMENT ON NATIONAL POLICY FOR STEEL AGREEMENT

February 1, 1994

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

National Policy for Steel Agreement

The Basic Steel Industry has not fully recovered from the severe financial losses of recent years. It remains an industry in transition. Recognizing the need to continue to deal with the problems facing the industry, the United Steelworkers of America and the USS Division of USX Corporation ("the Company") agree to establish a National Policy for Steel Committee to develop and support both traditional and innovative means to create an environment in which the domestic steel industry may achieve sustained profitability and help ensure the well-being of employees, customers, shareholders, suppliers and the steel communities.

The Committee will be chaired by the President of the Company and the President of the International Union, or their designees. Successful implementation of its objective will require an integrated approach to numerous problems facing the American economy. In
attempting to meet its objective and achieve such integration, the Committee will focus on the following areas:

- The development and implementation of a national trade policy;
- The consideration of and possible development of an appropriate national health policy;
- Recognition of the critical need to restore America’s infrastructure and industrial base;
- Development of a national fiscal and monetary policy;
- Institution of a sound environmental policy which recognizes the interrelationship between the need to protect our environment and the essential need for a healthy economy to assure an acceptable standard of living for our citizens;
- The establishment of a Steel Tripartite Committee to coordinate the responses of government, industry, and labor to problems facing the steel industry;
- The consideration of public policies supporting the ability of the steel industry to meet its obligations for the legacy costs of pensions and retiree health insurance.

Within each of these critical areas, the Committee will:

National Trade Policy
- Promote strict enforcement by the Executive Branch of all existing trade laws, including the imposition of sanctions pursuant to §301, and support the enactment of legislation and other programs dealing with indirect steel imports.

National Health Policy
- Seek to develop and support an appropri-
ate national health policy which will assure essential care to all citizens, control health care costs and equitably distribute those costs across the various sectors of the economy.

**Industrial Infrastructure**

- Encourage public awareness of the need to rebuild America's industrial base through the repair and reconstruction of the nation's infrastructure, including bridges, highways and other essential facilities utilizing American-made products.

**Fiscal & Monetary Policy**

- Work towards an overall national monetary policy which will address the need to reduce both the national debt and the trade deficit, control inflation and interest rates and encourage individual saving.

**Environment**

- Support responsible legislation and enforcement activities to protect and preserve the world's resources in a manner consistent with continuing a healthy and growing economy.

**Steel Tripartite Commission**

- Urge the Administration to establish a Steel Tripartite Committee uniting labor, industry, and government in improving the competitiveness of the steel industry in areas such as trade, technology, health care, training, etc.

**Legacy Costs**

- In recognition that our retirement system imposes costs on American companies well above those faced by our international competitors, seek to develop public policies supporting the ability of steel companies to meet benefit obligations.

In furtherance of these endeavors, the Committee will draw upon existing legislative, employee and community groups, expand their
Appendix CC

public information programs and take the initiative in formulating and advancing viable solutions. The Company and the Union have a shared interest in achieving these goals and reaffirming their commitment to work diligently to achieve them during this Agreement.

Very truly yours,

/s/ T. W. Sterling
T. W. Sterling
Vice President
Employee Relations

CONFIRMED:

/s/ Andrew V. Palm
Andrew V. Palm
United Steelworkers of America

APPENDIX CC
NEUTRALITY APPENDIX

A. INTRODUCTION

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

B. NEUTRALITY

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

Neutrality means that, except as explicitly provided herein, the
Appendix CC

Company will not in any way, directly or indirectly, involve itself in efforts by the Union to represent the Company's employees, or efforts by its employees to investigate or pursue unionization.

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

C. ORGANIZING PROCEDURES

Prior to the Union distributing authorization cards to non-represented employees at a Covered Workplace (meaning any workplace which is: (i) controlled by the Company, as the Company is defined in Section E herein; and (ii) employs or intends to employ employees who are eligible to be represented by a labor organization in any unit(s) appropriate for bargaining), the Union shall provide the Company with written notification (the "Written Notification") that an organizing campaign (the "Organizing Campaign") will begin. The Written Notification will include a description of the proposed bargaining unit.

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

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

Upon Written Notification the following shall occur:

1. Notice Posting

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

“NOTICE TO EMPLOYEES

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

1. The Company does not oppose collective bargaining or the unionization of our employees.

2. The choice of whether or not to be represented by a union is yours alone to make.

3. We will not interfere in any way with
your exercise of that choice.

4. The Union will conduct its organizing effort over the next 90 days.

5. In their conduct of the organizing effort, the Union and its representatives are prohibited from misrepresenting the facts surrounding your employment. Nor may they demean the integrity or character of the Company or its representatives.

6. If the Union secures a simple majority of authorization cards, subject to verification, of the employees in [insert description of bargaining unit provided by the Union] the Company shall recognize the Union as the exclusive representative of such employees without a secret ballot election conducted by the National Labor Relations Board.

7. The authorization cards must unambiguously state that the signing employees desire to designate the Union as their exclusive representative.

8. Employee signatures on the authorization cards will be verified by a third party neutral chosen by the Company and the Union.”

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

In addition, following receipt of Written
Appendix CC (Contd.)

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

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

The communication shall be provided to the Union at least two business days prior to its intended distribution. If the Union believes that the communication violates the strictures of this provision it shall so notify the Company. Thereupon the parties shall immediately bring the matter to the Board of Arbitration, which shall issue a bench decision resolving any dispute.

2. Employee Lists

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

procedure. Thereafter during the Organizing Campaign, the Company will provide the Union with updated lists monthly.

3. Determination of Appropriate Unit

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

4. Access to Company Facilities

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

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

6. Union Recognition

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

1. The Company shall, at any Covered Workplace which it builds or acquires after August 1, 1999, give preference in hiring to qualified employees of the Company then accruing continuous service in bargaining units covered by a Basic Labor Agreement. In choosing between qualified applicants from such bargaining units, the Company shall apply standards established by Section 13 of the Basic Labor Agreement.

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

2. Before implementing this provision the Company and the Union will decide how this preference will be applied.

3. In determining whether to hire any applicant at a Covered Workplace (whether or not such applicant is an employee covered by a Basic Labor Agreement), the Company shall refrain from using any selection procedure, which, directly or indirect-
Appendix CC (Contd.)

ly, evaluates applicants based on their attitudes or behavior toward unions or collective bargaining.

E. DEFINITIONS AND SCOPE OF THIS AGREEMENT

1. Rules with Respect to Affiliates, Parents and Ventures

For purposes of this appendix only, the Company includes (in addition to the Company) any entity which is: (i) engaged in (a) the mining, refining, production, processing, transportation, distribution or warehousing of raw materials used in the making of steel; or (b) the making, finishing, processing, fabricating, transportation, distribution or warehousing of steel; and (ii) either a Parent, Affiliate or a Venture of the Company. For purposes of this appendix, a Parent is any entity which directly or indirectly owns or controls more than 50% of the voting power of the Company; an Affiliate is any entity in which the Company directly or indirectly: (a) owns more than 50% of the voting power or (b) has the power based on contracts or constituent documents to direct the management and policies of the entity; and a Venture is an entity in which the Company owns a material interest.

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

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

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

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

F. BARGAINING IN NEWLY-ORGANIZED UNITS

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

1. The employer and the Union shall meet within 14 days following recognition to begin negotiations for a first collective bargaining agreement covering the new unit bearing in mind the wages, benefits, and working conditions in the most comparable operations of the Company (if any comparable operations exist), and those of unionized competitors to the facility in which the newly recognized unit is located.
2. If after 90 days following the commencement of negotiations the parties are unable to reach agreement for such a collective bargaining agreement, they shall submit those matters that remain in dispute to the Chairman of the Union Negotiating Committee and the Company's Vice President-Employee Relations who shall use their best efforts to assist the parties in reaching a collective bargaining agreement.

3. If after 90 days following such submission of outstanding matters, the parties remain unable to reach a collective bargaining agreement, the matter may be submitted to final offer interest arbitration in accordance with procedures to be developed by the parties.

4. If interest arbitration is invoked, it shall be a final offer package interest arbitration proceeding. The interest arbitrator shall have no authority to add to, detract from, or modify the final offers submitted by the parties, and the arbitrator shall not be authorized to engage in mediation of the dispute. The arbitrator's decision shall select one or the other of the final offer packages submitted by the parties on the unresolved issues presented to him in arbitration. The interest arbitrator shall select the final offer package found to be the more reasonable when considering (a) the negotiating guideline described in F-1 above, (b) any other matters agreed to by the parties and
Appendix CC (Contd.)

therefore not submitted to interest arbitration, and (c) the fact that the collective bargaining agreement will be a first contract between the parties. The decision shall be in writing and shall be rendered within thirty (30) days after the close of the interest arbitration hearing record.

5. Throughout the proceedings described above concerning the negotiation of a first collective bargaining agreement and any interest arbitration that may be engaged in relative thereto, the Union agrees that there shall be no strikes, slowdowns, sympathy strikes, work stoppages or concerted refusals to work in support of any of its bargaining demands. The Company, for its part, likewise agrees, not to resort to the lockout of employees to support its bargaining position.

G. DISPUTE RESOLUTION

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

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

APPENDIX CC-1
LETTER AGREEMENT ON NEUTRALITY
August 1, 1999

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

This will confirm our understanding reached during discussions leading to our agreement to incorporate a new Neutrality Appendix into the successor agreement to our February 1, 1994 Basic Labor Agreement.

Notwithstanding the provisions of that Appendix, the parties agree as follows:

1. The Neutrality Appendix will under no 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.
2. The Neutrality Appendix will under no circumstances apply to any facility located outside of the United States and its territories or Canada.

3. The Neutrality Appendix will under no circumstances apply, solely by operation of said Appendix, to an Affiliate or Venture of the Company which employs workers represented by a labor organization.

4. During our discussions the parties carefully reviewed the activities conducted at the existing non-union Ventures of the Company. Our 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 have agreed that the Neutrality Appendix will under no circumstances apply to the current location of an entity which is a Venture of the Company as of August 1, 1999 (hereinafter “Exempted Entity”) provided that after August 1, 1999 (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.

In the event that any of the above conditions are no longer satisfied at an Exempted Entity, then the Neutrality Appendix shall be immediately fully applicable at such Exempted Entity.
As of August 1, 1999 the only entities potentially meeting this criteria, their current location, and the nature of the business activities conducted at such location are:

PRO-TEC Coating Company - Leipsic, Ohio  
(sheet finishing and processing)

Worthington Specialty Processing - Jackson, Michigan  
(sheet finishing and processing)

Olympic Laser Processing LLC - Monroe, Michigan  
(sheet finishing and processing)

USS/CHC - Houston, Texas  
(doing business as Delta Tubular Processing)  
(pipe finishing and processing)

5. Notwithstanding the exemption from Neutrality Appendix coverage described in 4 above, the Company agrees to use its best efforts to:

(a) Convince the Board of Directors and Management at the Exempted Entities referred to above to accept the Neutrality Appendix.

(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 Appendix.

(c) Take other similar actions as may be mutually agreed to by the Company and the Union.
CONFIRMED:
/s/ Andrew V. Palm
Andrew V. Palm
United Steelworkers of America

Appendix DD

Very truly yours,
/s/ T. W. Sterling
T. W. Sterling
Vice President
Employee Relations

APPENDIX DD
MEMORANDUM OF UNDERSTANDING
ON OVERTIME CONTROL
TRAINING FUND

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

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

(b) Purpose: The OCTF is to be used to
fund job-related training and education, provided that such training is directly related to pre-apprenticeship preparation programs, apprenticeship programs, craft training, non-craft described and classified job training and other job related training other than training the Company affords pursuant to Section 13-N (Manning New Facilities) or Appendix R-8 (Training of Transferred Employees). The parties will also seek and use funds from federal, state and local governmental agencies.

(c) **Approval:** No expenditure may be charged to the OCTF unless such expenditure is specifically approved in writing by both the Union and Company Co-Chairmen of the Committee.

(d) **Annual OCTF Plan:** The Committee shall jointly develop a plan each year setting forth the projected amount of plant OCTF allocable to specific plant training and education programs. An information copy of such annual plan shall promptly be sent to the International President of the Union and the Company and Union Chairmen of the Negotiating Committee.

(e) **Reporting:** The Company shall furnish to the International President, the Company and Union Co-Chairmen of the Negotiating Committee, and the Committee a quarterly report (i) itemizing
Appendix DD

credits and charges to the Plant OCTF, relating each credit and charge to a specific program contained in the Annual OCTF Plan, (ii) stating the current level of the Plant OCTF and (iii) showing, by each department in the Plant, the hours worked by each employee in such department during each pay period in the quarter for which an Overtime Control credit has been incurred pursuant to this Appendix.

(f) Auditing: Upon request of the Union Chairman of the Negotiating Committee an audit of Company reports and of the underlying program activities shall be made in accordance with the following: The Company and the Union shall jointly select an independent outside auditor. The reasonable fees and expenses of the auditor shall be paid from the OCTF. The scope of audits may be company-wide, plant-specific, or on any other reasonable basis.

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

August 1, 1999

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

During negotiations leading to the August 1, 1999 Basic Labor Agreement certain transfer restrictions, set forth in Section 13-0-5, were increased from six months to one year. This will confirm our understanding with respect to plant-wide bids that such expanded restrictions shall be applicable notwithstanding any practice or agreement to the contrary.

Very truly yours,

/s/ T. W. Sterling
T. W. Sterling
Vice President
Employee Relations

CONFIRMED:

/s/ Andrew V. Palm
Andrew V. Palm
United Steelworkers of America
APPENDIX FF

LETTER AGREEMENT ON COORDINATORS

August 1, 1999

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

This letter will confirm the understanding reached during the 1999 negotiations.

1. In the last several years, the parties have committed themselves to a number of joint undertakings crucial to the success of the Company, its employees, and the Union. Even a partial listing of these programs would include the revised and expanded USS/USWA Partnership Agreement, the Trade and Craft Training Revitalization programs, the Employment Security Plan, the expanded New Employee Orientation, and the Institute for Career Development. These recent initiatives build on other joint initiatives that have long been in effect.

2. In recognition of the crucial role being served by the Union in accomplishing the joint goals of the parties, the parties agree as follows:

a) The Union Chairman of the Negotiating Committee shall select and direct three (3) Company-level
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, including the Institute for Career Development, the OCTF, Partnership and Trade and Craft Training Revitalization. It is expected that Coordinators will visit each of the Company’s locations on a regular basis in the performance of his/her duties.

b) Each Coordinator shall be an employee of the Company. The Coordinator shall be compensated by the Company in the amount of the appropriate wages, benefits and other fringe benefits he/she would have earned during his/her normal course of employment with the Company but for this assignment. In addition, said Coordinators shall be reimbursed from OCTF funds for out-of-pocket expenses including, but not limited to, travel (coach air fare, hotel and per diem) incurred in connection with this assignment, up to a maximum of $40,000 per year. In order to receive such lost time payments and expense reimbursements supporting vouchers must be provided by the Coordinator.

3. The arrangement described herein shall be in addition to and fully separate from any existing arrangements regarding Company support of such programs and activities.
APPENDIX GG

LETTER AGREEMENT ON UNION OFFICER BIDDING RIGHTS

August 1, 1999

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

During negotiations leading to the August 1, 1999, Basic Labor Agreement, the Union expressed concern that local union officers have been disadvantaged on occasion when bidding for promotions because of their unavailability for work.

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 at-
tendance a requirement when making assignments to jobs, such as Team Leader, where maintaining continuity is an important element of the position.

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 Management 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 Management to work on his incumbent position, was paid on turns when the local union officer was working on the lower position.

This understanding supersedes prior inconsistent arbitration awards. It will apply to jobs posted for on or after August
1, 1999. It will also apply to jobs posted for and awarded prior to that date if a written grievance protesting the job award was filed with the Company and was active as of June 24, 1999. In this latter case, the local union officer who had been denied the job award because of unavailability will be granted incumbency status and full coverage under this Letter Agreement on August 1, 1999, it being understood that the grievance will be considered settled and withdrawn in consideration thereof and it being further understood that no other employee will lose incumbency status as a result.

Very truly yours,

/s/ T. W. Sterling
T. W. Sterling
Vice President
Employee Relations

CONFIRMED:

/s/ Andrew V. Palm
Andrew V. Palm
United Steelworkers of America
APPENDIX HH
LETTER AGREEMENT ON
WORKPLACE HARASSMENT
AWARENESS AND PREVENTION

August 1, 1999

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

This will confirm our agreement, reached during the negotiation of the 1999 labor agreement, concerning Workplace Harassment Awareness and Prevention.

The Company and the Union recognize that every employee has a right to a work environment free of harassment or intimidation on the basis of any of the categories listed in the non-discrimination provision of Section 4, paragraph 7. The parties understand that harassment can have a detrimental impact on individual employees, generate a hostile working environment, and adversely affect the ability of the workforce to function in a cooperative and productive manner. One of the best means of addressing these issues is through awareness and education which can prevent problems before they occur by ensuring that all employees know and understand what constitutes impermissible harassment, and know how to prevent it.

Accordingly, the parties agree to educate all employees at all facilities in the area of harassment awareness and prevention on a periodic basis, as agreed to
be appropriate by the local parties.

A representative of the USWA Civil Rights Department and a representative designated by the Company's Employee Relations Department will work together to develop harassment awareness and prevention education with input from the plants and local unions. Within six (6) months of the effective date of this agreement, appropriate personnel at each plant will then be trained as trainers, with input from the Joint Committee on Civil Rights.

Within one (1) year of the completion of local trainers' training, the following training for all plant employees will be implemented:

(1) To effectively address the issue of harassment and its detrimental impact on individual employees and the workforce, all employees will be scheduled for a one (1) to two (2) hour training session as to what harassment is, why it is unacceptable conduct, its consequences for the harasser and what steps can be taken to prevent it. This training will be done, to the extent possible, within work groups.

(2) The local union president, vice president, grievance committee persons, assistant grievance committee persons and civil rights committee members will be scheduled for additional training dealing with their obligations in regard
to harassment, including such things as early recognition of harassment, how to resolve such issues and how to promote a harassment-free environment. The additional training will be scheduled at a time mutually agreed-to between the local union president and Manager-Employee Relations.

All bargaining unit employees shall be compensated for time spent attending these sessions in accordance with established local practices.

Very truly yours,

/s/ T. W. Sterling

T. W. Sterling
Vice President
Employee Relations

CONFIRMED:

/s/ Andrew V. Palm

Andrew V. Palm
United Steelworkers of America
APPENDIX II

LETTER AGREEMENT ON WORKPLACE VIOLENCE

August 1, 1999

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

This will confirm our understanding that the Joint Safety and Health Committees at each plant will receive training on how to deal with workplace violence situations and from that specific training, the Joint Safety and Health Committees will develop specific contacts on the subject which will be communicated to all employees.

Very truly yours,

/s/ T. W. Sterling
T. W. Sterling
Vice President
Employee Relations

CONFIRMED:

/s/ Andrew V. Palm
Andrew V. Palm
United Steelworkers of America
APPENDIX JJ
LETTER AGREEMENT ON ERGONOMICS
August 1, 1999

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

This will confirm our understanding that the Joint Safety and Health Committee at each plant will, among its priorities, discuss safety and health matters related to ergonomics with the intention of identifying jobs and tasks and corrective action where employees may face a risk of repetitive strain disorders and other musculoskeletal injuries and diseases.

As potential ergonomic projects are identified by the Joint Safety and Health Committees, they may solicit assistance of departmental safety teams. Those employees associated with the projects will, as mutually agreed by the Joint Safety and Health Committee, receive training to help the participants understand how to implement the respective ergonomics principles within the plant.

To assist in this endeavor, the Company's Safety, Health and Medical Departments and the International Union Safety and Health Representatives, as requested by either party at the plant location will jointly conduct periodic re-
views of the ergonomic projects and their status.

Very truly yours,

/s/ T. W. Sterling
T. W. Sterling
Vice President
Employee Relations

CONFIRMED:

/s/ Andrew V. Palm
Andrew V. Palm
United Steelworkers of America

APPENDIX KK
LETTER AGREEMENT ON
UNION ROLE IN NEGOTIATION
OF BENEFITS

August 1, 1999

Mr. Andrew V. Palm, Chairman
USS Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Palm:

This letter will confirm the understanding reached during our 1999 negotiations.

During bargaining, the Union raised a matter concerning the administration of a number of our negotiated wage and benefit programs. Specifically, the Union noted that most such programs lack any established practice by which bargaining unit members are informed, at the time of payment, that such benefits were the result of negotiation between the Company and the Union. In recognition of the Union's role in achieving the goals of the enterprise, the Company agrees to adopt
such a practice in the manner detailed in this letter.

This understanding shall apply to payments separately made by the Company of the following: profit sharing payments; gain sharing payments; retroactivity payments made pursuant to wage increases; lump sum payments; Parity Investment Bonus Payments; severance payments; special payments under the pension plan ("Separate Payments") as well as any special communication from the Company to bargaining unit employees which discusses most or all of their wage and benefit package.

In the case of a Separate Payment, upon Union request, the following text shall be included:

"This [identify the particular payment] is being made pursuant to a contract negotiated on your behalf by your Union, the United Steelworkers of America."

In the case of a special communication by the Company discussing employee wages and benefits as described above, the Company will include the following text upon Union request:

"Your wages and benefits are negotiated on your behalf by your Union, the United Steelworkers of America. U.S. Steel and the Steelworkers have a constructive relationship built on trust, integrity and mutual respect."
The understandings set forth in this letter shall become effective January 1, 2000.

Very truly yours,

/s/ T. W. Sterling
T. W. Sterling
Vice President
Employee Relations

CONFIRMED:

/s/ Andrew V. Palm
Andrew V. Palm
United Steelworkers of America
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☐ Holiday