Agreement between Bethlehem Steel Corporation and United Steelworkers of America

August 1, 1999

NOTICE

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*These appendices are entirely new and appear for the first time in this Agreement.

Language which is new or changed between this Agreement and the Agreement dated August 1, 1993 is printed in bold face type. Section and Paragraph headings are for reference only.

AGREEMENT DATED August 1, 1999, between BETHLEHEM STEEL CORPORATION and UNITED STEELWORKERS OF AMERICA

ARTICLE I — DEFINITIONS

Except as otherwise stated in this Agreement, wherever used herein the respective terms hereinafter in this Article mentioned shall have the respective meanings hereinafter set forth.

(a) The term "the Company" means Bethlehem Steel Corporation. If
operations of any Plant covered by this Agreement are transferred to a subsidiary or affiliated of the Company, such subsidiary or affiliate shall be included in the term "Company" for purposes of this Agreement.

(b) The term "the Union" means United Steelworkers of America, and wherever said term is used with reference to a particular Plant said term includes the Local or Locals of the Union at such Plant.

c) The term "Plant" at any given time means any one of the operations of the Company listed in Appendix 1.

d) The term "Unit" means the unit at a Plant as such unit is defined in Article II of this Agreement, and the term "Units" means two or more or all (as the case may be) of such units.

e) The term "Employee" means an employee of the Company who is included in a Unit, and the term "Employees" means two or more or all (as the case may be) of such employees.

(f) The term "the Management" means the Management of the Company at the particular Plant.

(g) The term "Superintendent of Labor Relations" means either the Superintendent of Labor Relations or the Superintendent of Labor Relations and Personnel Services at the particular Plant, or his designated representative.

(h) The term "Grievance Committee" means the grievance committee of the Union for the Plant.

(i) The term "term of this Agreement" means the period during which this Agreement shall be in effect as provided in Article XXII hereof.

(j) Throughout this Agreement, in referring to Employees, the masculine gender is used for convenience only and shall refer both to males and females.

ARTICLE II—APPLICATION OF AGREEMENT

Section 1. Purpose and Intent of the Parties

(a) Matters of employment: It is the intent and purpose of the parties hereto to set forth herein the agreement between them in respect of rates of
pay, hours of work and other conditions of employment of the Employees in the respective Units as hereinafter defined at the respective Plants listed in Appendix 1. **Appendix 1 also lists other operations of the Company as to which certain portions of this Agreement apply.**

(b) **Basis of Claims:** 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.

(c) **Administration:** 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 Agreement, including changes or innovations affecting the relations between the local parties.

(d) **Non-Discrimination:** 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, handicap, disabled veterans and veterans of the Viet Nam era, sex or age, except where sex or age is a bona fide occupational qualification. 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. It is also the continuing policy of the Company and the Union that all Employees shall be provided a workplace free of sexual harassment. 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.

(e) **Civil Rights Committee:** 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 Labor Relations Department Head by the Union and the Company members shall be certified to the District Director of the Union.

The joint Committee shall review matters involving Civil Rights including a review of hiring efforts in respect of minorities and females. The joint Committee shall also review 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 third step of the grievance procedure as provided in Article XI. 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 third 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.

The Company and Union members of the joint Committee shall meet at mutually agreeable times as required.

**Section 2. Unit Coverage**

(a) Membership: The Unit at each of such Plants shall include all production and maintenance employees of the Company there and firemen at the Sparrows Point Plant, and shall exclude all executives, office and salaried employees, foremen, assistant foremen, supervisors who do not work with tools, draftsmen, timekeepers at Plants other than the Sparrows Point and Lackawanna Plants, watchmen and guards, full-time first-aid and safety employees.

(b) Jobs: 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 non-bargaining unit duties from a job in the
bargaining unit, provided that where non-bargaining unit duties are placed in a job in the bargaining unit under this provision, such duties may be withdrawn at any time. Management shall, on request, furnish to the Union reasonable information to permit determination of questions of compliance with this provision.

(c) Dispute of Coverage: Any difference which shall arise between the Company and the Union as to whether or not any individual employee is or is not included within the Unit at any Plant as hereinbefore defined shall be handled as a complaint or grievance in accordance with the procedure set forth in Article XI hereof.

(d) Supervisors: 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:

1. experimental work;
2. demonstration work performed for the purpose of instructing and training Employees;
3. 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
4. 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 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.

A grievance alleging a violation of Article II, Section 2(d), shall be initiated at Step No. 2 by the Grievance Committeeman or the Assistant Grievance Committeeman in conformity with the provisions of Article XI. If a supervisor performs work in violation of this Section and the Employee who otherwise would have performed the work can be reasonably identified, the Company shall pay such Employee the applicable standard hourly wage rate for the time which he would have worked on the job or a four-hour minimum at standard hourly wage rate, whichever is greater.

(e) Temporary Foremen: (1) 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.

(2) 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 retained in employment or recalled from layoff as a temporary foreman at a time when the application of his bargaining unit seniority would not otherwise result in his retention in employment or recall from layoff.

Section 3. Local Working Conditions

The term "local working conditions" as used in this Section means specific practices or customs which reflect detailed application of the subject matter within the scope of wages, hours of work, or other conditions of employment and includes local agreements, written or oral, on such matters. It is recognized that it is impracticable to set forth in this Agreement all of these working conditions, which are of a local nature only, or to state specifically in this Agreement which of these matters should be changed or eliminated. The provisions set forth below provide general principles and procedures which explain the status of these matters and furnish necessary guideposts for the parties hereto and the impartial umpire. The provisions of this Section are not intended to prevent the Management from continuing to make progress. Any arbitrations arising hereunder shall be handled on a case-by-case basis on principles of reasonableness and equity.

(a) **Right to Establish:** 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.

(b) **Deprivation of Benefits:** 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.

(c) **Benefits in Excess:** 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 (d) below.

(d) Right to Change or Eliminate: The Management shall have the right to change or eliminate any local working condition if, as the result of action taken by Management under Article XIII hereof, the basis for the existence of the local working condition is changed or eliminated, thereby making it unnecessary to continue such local working condition; provided, however, that when such a change or elimination is made by the Management any affected Employee shall have recourse to the complaint and grievance procedure and arbitration, if necessary, to have the Management justify its action.

(e) Modification of main Agreement: 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 Manager of Union Relations of the Company.

(f) Complaint or Grievance Settlements: The settlement of a complaint or grievance prior to arbitration under the provisions of this Section shall not constitute a precedent in the settlement of complaints or grievances in other situations in this area.

(g) Settlements via Agreements: 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 4. Contracting Out

The parties recognize the seriousness of the problems associated with contracting out of work both inside and outside the Plant and have accordingly agreed as follows:

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 subject to, and arising on or after the effective date of this Agreement.

(a) Basic Prohibition

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

(b) Exceptions

(1) Work in the Plant

a. Production, service, all maintenance and repair work, all installation, replacement and reconstruction of equipment and productive facilities, other than that listed in subparagraph (b)(l)b. below, all within a Plant, may be contracted out if (i) the consistent practice 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.

b. 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 comparison 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 production 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 hookups, 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 item.

Notwithstanding the above, the Company may purchase standard components or parts or supply items mass 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 4(b)(2)(a), to be fabrication work performed outside the Plant.

b. Production work may be performed outside the Plant only where the Company demonstrates that it is unable because of lack of capital to invest in necessary equipment or facilities, and that it has a continuing commitment to the steelmaking business. In determining whether there is capital to invest in particular equipment or facilities, the Company is entitled to make-reasonable judgments about the allocation of scarce capital resources among its Plants represented by the Union and their supporting
facilities.

(3) **Mutual Agreement**

Work contracted out by mutual agreement of the parties pursuant to paragraph (g) below.

(c) **Reasonableness**

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

(1) Whether the bargaining unit will be adversely impacted.

(2) 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.

(6) Availability of required equipment either on hand or by lease or purchase, provided that either the capital outlay for the purchase of such equipment, or the expense of leasing such equipment, is not an unreasonable expenditure in all the circumstances at the time the proposed decision is made.

(7) The expected duration of the work and the time constraints associated with the work.

(8) Whether the decision to contract out the work is made to avoid any obligation under the collective bargaining agreement or benefits agreements associated therewith.

(9) Whether the work is covered by a warranty necessary to protect the Company's investment. For purposes of this subparagraph, warranties are intended to include work performed for the limited time necessary to make effective the following seller guarantees:

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

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

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

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

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

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

(d) Contracting Out Committee

(1) At each Plant a regularly constituted committee consisting of not more than four persons (except that the committee may be enlarged to six persons by local agreement), half of whom shall be members of the bargaining unit and designated by the Union in writing to the Management and the other half designated in writing to the Union by the 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. 02.04.41

(e) Notice and Information 02.04.42

Before the Company finally decides to contract out an item of work as to which it claims the right to contract out, the Union committee members will be notified. Except as provided in paragraph (i) below (Shelf Item Procedure), such notice will be given in sufficient time to permit the Union to invoke the Expedited Procedure described in paragraph (h) below, unless emergency situations prevent 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
   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.

Within ninety (90) days following the effective date of this agreement, Headquarters representatives of the parties shall develop a form notice for the submission of the information described above. Either the Union members of the committee or the Company members of the committee may convene a prompt meeting of the committee. Should the Union committee members believe a meeting to be necessary, they shall so request the Company members in writing within five (5) days (excluding Saturdays, Sundays and holidays) after receipt of such notice and such a meeting shall be held within three (3) days (excluding
Saturdays, Sundays and holidays) thereafter. The Union members of the committee may include in the meeting the Union representative from the area in which the problem 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 any and all 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 the opportunity to review copies of any relevant proposed contracts with the outside contractor. This information will be kept confidential. The Company 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. Should it be found in the arbitration of a grievance alleging a failure of the Company to provide the notice or information required under this paragraph (e) that such notice or information was not provided, that the failure was not due to an emergency requirement, and that such failure deprived the Union of a reasonable opportunity to suggest and discuss practicable alternatives to contracting out, the Impartial Umpire shall have the authority to fashion a remedy, at his discretion, that he deems appropriate to the circumstances of the particular case. Such remedy, if afforded, may include earnings and benefits to grievants who would have performed the work, if they can be reasonably identified.

(f)  **Remedy for Repeated Notice Violations**

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 Impartial Umpire may, as circumstances warrant, fashion a suitable remedy or penalty.

(g)  **Mutual Agreement and Disputes**

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

If the matter is not resolved, or if no discussion is held, the dispute may be processed further (i) by filing a grievance relating to such matter under the complaint and grievance procedure described in Article XI; or (ii) by submitting the matter to the Expedited Procedure set out in paragraph (h) below.

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

(h) Expedited Procedure

In the event that either the Union or Company members of the committee request an expedited resolution of any dispute arising under this Section, except paragraph (i) (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, the Expedited Procedure shall be implemented prior to letting a binding contract.

(2) Within three (3) days (excluding Saturdays, Sundays and holidays) after either the Union or Company members of the committee determine that the committee cannot resolve the dispute, either party (chairman of the grievance committee in the case of the Local Union and the Superintendent of Labor Relations in the case of the Company) may advise the other in writing that it is invoking this Expedited Procedure.

(3) An expedited arbitration must be scheduled within three (3) days (excluding Saturdays, Sunday; and holidays) of such notice and heard at a hearing commencing within five (5) days (excluding Saturdays, Sundays and holidays) thereafter. The Impartial Umpire, or his appointee, shall hear the dispute and, if no Umpire is available to hear the dispute within five (5) days, another arbitrator shall be selected by mutual agreement of the Step No. 4 Representative of the Union and the Step No. 4 Representative of the Company.

(4) The arbitrator must render a decision within forty-eight (48) hours (excluding Saturdays, Sundays and holidays) of the conclusion of the hearing. Such decision shall not be cited as a precedent by either party in
any future contracting out disputes.

(5) Notwithstanding any other provision of this Agreement, any case heard in 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 Impartial Umpire shall determine whether the work in dispute, as it actually was performed, violated the provisions of Section 4 and, if so, the remedy. The prior decision regarding the subject work shall be considered in the determination and given weight in the subsequent dispute, except to the extent that it relied on an erroneous description.

(i) Contractors Testifying In Arbitration

No testimony offered by an outside contractor may be considered in any proceeding alleging a violation Of Section 4 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) Shelf Item Procedure

(1) No later than June 1, 1994, and, except as provided herein, 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 claims 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 the item, as a shelf item, has been expressly resolved. Within sixty (60) days of the submission of the list, either the Union members of the committee 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 claim that such items are shelf items.

(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 claim that it is a shelf item, the Company shall be relieved of any obligation to furnish a contracting out notice until the June 1 next 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 (j)(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 3 of the complaint and grievance procedure described in Article XI. Except as provided in paragraph (j)(5), such a grievance shall include all items in dispute. However, where a number of items raise the same or similar issues, those items may be grouped in a single class or category.

(4) An item which the Company claims 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 (g) or (h) of this Section 4 with respect to any unresolved item of maintenance, repair work or work associated with the fabrication of goods, material or equipment 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.

(k) **Annual Review**

Commencing on or before January 2 of each year 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, (ii) determining such work which should be performed by bargaining unit Employees and (iii) identifying situations where the elimination of restrictive practices would promote the performance of any such work by bargaining unit Employees. The Union committee members shall be entitled in conducting this study to review any current or proposed contracts concerning items of work performed by the Company by outside contractors and vendors and shall keep such information confidential.

By no later than February 1 of each year the Local Union and Company committee members shall jointly submit a written report to the International President and the Chief Executive Officer of the Company or their
designees describing the results of this review. Specifically, the report should list (a) all items of work which the parties agree will be performed by bargaining unit Employees during the following twelve (12) calendar months, (b) all items of work which the parties agree should be performed by outside contractors and vendors, and (c) those items on which the parties disagree. If the parties disagree, the report will state the reason for such disagreements.

As to individual items of work, the International President and the Chief Executive Officer of the Company may (a) affirm the Plant recommendation, (b) disagree with respect to the Plant recommendation as to specific items and either (i) refer their dispute to arbitration under a procedure to be established by the parties and the Impartial Umpire or (ii) 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.

(l) District Director/Company Union Relations Representative

It is the intent of the parties that the members of the joint Plant contracting out committee shall engage in discussions of the problem involved in this field in a good-faith effort to arrive at mutual understanding so that disputes and grievances can be avoided. If either the Company or the Union members of the committee feel that this is not being done, they may appeal to the District Director of the Union who has jurisdiction of the Plant in question and the 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 Union Relations Representative for such review. This provision should in no way affect the rights of the parties in connection with the processing of any grievance relating to the subject of contracting out.

(m) General Provisions

Where at a particular Plant, it is found in a case arising subsequent to August 1, 1999, that the Company (i) engaged in conduct which constitutes willful or repeated violations of paragraph (b)(1) or (b)(2), the first of which occurred on or after August 1, 1998; or (ii) violated a cease and desist order previously issued by the Impartial Umpire 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 Impartial Umpire shall, as circumstances warrant, fashion a remedy or penalty specifically designed to deter the behavior described in (i), (ii), or (iii), above.

ARTICLE III—RECOGNITION AND UNION MEMBERSHIP

Section 1 Union Exclusive Bargaining Agent

Subject to the provisions of the National Labor Relations Act, the Company recognizes the Union as the exclusive representative of all the Employees for the purposes of collective bargaining in respect of rates of pay, wages, hours of employment or other conditions of employment.

Section 2 Membership

(a) Condition of employment.- Each Employee who, on the 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. Each Employee hired on or after the date of this Agreement shall, as a condition of employment, commencing on the 30th day following the beginning of such employment or the date of this Agreement, whichever is the later, acquire and maintain membership in the Union. The foregoing provisions shall be effective in accordance and consistent with applicable provisions of federal and state law.

(b) Enforcement Limitation: In states in which the foregoing provisions may not lawfully be enforced, the provisions of this paragraph (b), 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.

(c) Checkoff: At the time of his employment the company will suggest that each new Employee voluntarily execute an authorization for the checkoff
of Union dues or service charges in the form agreed upon. A copy of such authorization card shall be forwarded to the Financial Secretary of the Local Union along with the membership application of such Employee.

(d) *Loss of Membership:* 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.

(e) *Agreement to Check Off:* Upon receipt by the Superintendent of Labor Relations at any Plant of a voluntary written assignment (in a form agreed to in writing by the Company and the Union) by an Employee at such Plant, the Company will deduct from each pay of such Employee each month thereafter during the existence of such assignment his periodic Union dues or service charges as designated by the International Treasurer of the Union. The Company shall also deduct any assessments against him which shall be general and uniform among Employees who shall at the time be members of the Union, and, if owing by him, an initiation fee, all as payable to the Union in accordance with its constitution and by-laws. The Company shall promptly remit any and all amounts so deducted to the International Treasurer of the Union.

**Section 3. Indemnity Clause**

The Union shall indemnify the Company and hold it harmless against any and all suits, claims, demands and liabilities that shall arise out of or by reason of any action that shall be taken by the Company for the purpose of complying with the foregoing provisions of this Article or in reliance on any list, notice or assignment which shall have been furnished to the Company under any of such provisions.

**ARTICLE IV—RATES OF PAY**

**Section 1. Basis for Rate of Pay**

(a) *SHWR—Job Class:* The standard hourly wage rate for each job class shall be the rate specified for such job class in Appendix 2.

(b) *Incentive Base Rate:* The incentive calculation rate (ICR) for each job class as set forth in Appendix 2 shall be the incentive base rate to be used in the calculation of incentive earnings for any job for which the incentive is
based on the applicable standard hourly wage rate.

(c) Incentive Workers, Hourly Additive: Effective as set forth in Appendix 2, the hourly earnings (not including overtime compensation, shift and Sunday premiums but including the Adjustment Factor provided for in Section 2 of the Supplemental Agreement dated May 25, 1956) of each Employee whose job shall be paid on an incentive basis (for each hour worked by him and for which he shall be paid incentive earnings) shall be increased by the amount specified (the hourly additive) for the job class of his job in such Appendix.

(d) General Increases; Out-of-line Rates: Beginning as of the date of any general increase in standard hourly wage rates, the increase in the standard hourly wage rate for any job which is attributable to the increase in the increments between job classes shall be applied to reduce or eliminate any personal out-of-line differential of any Employee who has a "red circle" hourly wage rate or a "red circle" guaranteed occupational hourly rate. Except as so reduced or eliminated, such "red circle" rate shall remain in effect for such Employee while he shall be employed on such job or on any other job to which he shall be promoted or transferred at the direction of the Management.

Section 2. SHWR; Non-Incentive Jobs

The standard hourly wage rate for each job class as set forth in Appendix 2 shall be the hourly rate of pay for each Employee on each job in such class for all work which shall not be incentive rated or covered by an incentive, and any other hourly wage rate or other payment, whether higher or lower, for such work is eliminated except as is otherwise specifically provided in this Article and Article V of this Agreement and in the Supplemental Agreement dated May 25, 1956.

Section 3. Payment Guarantee for Incentive Jobs

Each Employee paid on an incentive basis shall be guaranteed and shall receive for each day that he shall work an amount (in addition to any premium for shift work or Sunday work) which shall be the greater of

(a) SHWR-Minimum Guarantee: the standard hourly wage rate specified in Appendix 2 for the job worked by him on that day multiplied by the number of hours worked by him in that job on that day, or

(b) Payment of Incentive Earnings: the amount of his incentive earnings (including the hourly additive specified in Appendix 2) for that day; provided, however, that, if an Employee shall be paid on an incentive
basis and it shall not be reasonably practicable to compute his incentive earnings on a daily basis, the foregoing guarantee shall be applied on the basis of the shortest reasonably practicable period of time for which such incentive earnings can be computed.

and any and all other guarantees, whether stated in money or time or based on tonnage or any other factor, for such job are eliminated, except as is otherwise specifically provided in this Article and Article V of this Agreement and in the Supplemental Agreement dated May 25, 1956.

Section 4. Effect on Incentives-Wage Inequity Claims

Neither the putting into effect of the standard hourly wage rates in accordance with the provisions of this Article, nor any change in job titles made in connection therewith, shall of itself alter or affect in any way any incentive rate (including any hourly base rate in so far as it is used in the computation of incentive pay). Neither the Union nor any Employee shall claim that any wage inequity exists and a grievance on behalf of an Employee based on an alleged wage inequity shall not be filed or processed, whether such Employee shall be paid on an hourly or on an incentive basis.

Section 5. Company Convenience Payments

If an Employee shall be assigned temporarily for the Company's convenience to a job other than his regular job when work is available to the Employee on his regular job, he shall receive the established rate of pay for the job performed or for his regular job, whichever is higher.

Section 6. Employee Rate of Pay Information

Adequate provision shall be made at each of the Plants whereby each Employee there shall be currently informed of his standard hourly wage rate and, in the case of an Employee who is paid on an incentive basis, of the method of computing his incentive earnings.

ARTICLE V — JOB CLASSIFICATIONS AND INCENTIVES

Section 1. Job Classifications

(a) Existing Job Classifications: Each job classification now in effect or hereafter established shall remain in effect, except as changed in accordance
with the provisions of this Section.

(b) **Plant Union job Evaluation Committee**: The Union at each Plant shall designate a Plant Union job Evaluation Committee. Such Committee shall have the exclusive right to certify the existence of disputes with respect to job classifications.

(c) **Classification Procedures**: Whenever a new job shall be established or, after the effective date of the last classification or reclassification of an existing job, the requirements of such job as to training, skill, responsibility, effort and surroundings shall have been altered to the extent of a whole numerical classification of 1.0 or more, the Management shall classify or reclassify such job, as the case may be, and the new classification shall be put into effect in accordance with the procedure set forth in this Section.

(1) **Effecting a New job**: The Management shall describe and classify such job in accordance with the Manual for job Classification of Production and Maintenance jobs dated August 1, 1971, (hereinafter referred to as the Manual) and shall present such description and classification to the Plant Union job Evaluation Committee. 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 a new-type facility or a new-type job, special designation of this fact shall be made. Thereafter, the Management may put such new classification into effect and it shall continue in effect, unless it shall be changed in the manner provided in subparagraph (c)(3) of this Section. The Management and the Plant Union job Evaluation Committee shall meet, within 30 days after the description and classification shall have been presented as herein above provided, to review and attempt to agree on the proposed classification of such job.

(2) **Plant Union job Evaluation Committee Agrees**: If the Plant Union job Evaluation Committee shall agree to such proposed new classification, it shall be established for such job.

(3) **Plant Union job Evaluation Committee Does Not Agree**: If the Plant Union job Evaluation Committee does not agree to such proposed new classification, such Committee may, at any time within 15 days after the meeting, give written notice to the designated representative of the Management alleging that the job is improperly classified under the provisions of the Manual. Within 7 days thereafter, such Committee and the designated representative of the Management shall prepare and sign a stipulation setting forth the factors and factor codings which are in dispute and shall send it to the Manager of Union Relations of the Company. The parties shall make a sincere effort to set forth in such stipulation the reasons in support of their respective positions.
The Step No. 4 representatives shall meet within 30 days after the stipulation has been sent to the Manager of Union Relations of the Company. If they are unable to agree on the classification, they shall prepare and sign a stipulation (which may amend the stipulation set forth by the Plant Union job Evaluation Committee and the Management) setting forth the factors and factor codings which are in dispute, a copy of which shall be sent to the aforementioned representative of the International Union. The parties shall make a sincere effort to set forth in such stipulation the reasons in support of their respective positions.

The Union’s Step No. 4 representative may, within 30 days after the Step No. 4 meeting or within 20 days after the stipulation shall have been first received by him, whichever of those periods shall last expire, appeal the issues in dispute to arbitration by notice in writing to the Manager of Union Relations of the Company. If submitted to arbitration, the issue shall be limited to the factors finally stipulated as being in dispute. The impartial umpire shall decide the factors in dispute in accordance with the Manual and his decision with regard thereto shall be effective as of the date when the new job was established or the change or changes installed but in no event earlier than the date on which the new or changed classification was first submitted to the Plant Union job Evaluation Committee.

If the parties shall fail to agree as provided above and a request for review or arbitration is not made within the time provided, the classification as prepared by the Management shall be deemed to have been approved.

(d) Change in job: If the Plant Union job Evaluation Committee shall claim that after the effective date of the last classification or reclassification of an existing job the requirements of such job as to training, skill, responsibility, effort and surroundings shall have been altered to the extent of a whole numerical classification of 1.0 or more or if such Committee shall believe that a new job has been established and that the Management has failed to present a description and classification of such job to the Committee, it may submit a written, grievance with respect to such job classification to the designated representative of the Management which shall be handled in the manner provided in subparagraph (c)(3) of this Section. If such grievance is submitted to arbitration, the decision of the impartial umpire shall be in accordance with the Manual and shall be effective as of the date the change in job content occurred or the new job classification was submitted, but in no event earlier than 30 days prior to the date the grievance was presented in written form to the Management.

(e) Extension of Time Limits: Any of the time limitations set forth in this Section may be extended by agreement between the parties.

(f) Change in Classification by Agreement: The classification of any job
may be changed by agreement in writing between the Management and the Plant Union job Evaluation Committee.

(g) **Recorded Changes:** Whenever the Management shall record a change on a job description form or a job classification form, it shall give the Plant Union job Evaluation Committee written notice of such change.

(h) **Apprentice Jobs:** Apprentice jobs in any craft job named in Part VI A of the Manual are not to be described or classified. Employees serving apprenticeships in any of such craft jobs shall be assigned job classes as set forth in Appendix 2B.

(i) **Learner jobs:** Learner jobs are not to be described or classified. Any learner job shall be assigned to job Class 2; provided, however, that an Employee who shall be transferred from another job in the particular Plant to a learner job shall remain in the job class for his former job during the learning period unless the Management, a steward of the Union and the Employee shall agree that he shall be placed in a lower job class during his learner period.

Employees may be assigned to learner jobs for the purpose of training them for any regular job subject to the following limitations:

1. An Employee shall be assigned to a learner job only until he can perform satisfactorily the job for which he is being trained, but in no event shall he be assigned to such job for more than 520 hours of actual work therein as a learner;

2. The job for which the Employee is being trained is a job for which another job to which he has previously been assigned has not provided adequate training;

3. The job for which the Employee is being trained has been classified with a value of B (3 to 6 months) or more in Factor 2 (Employment Training and Experience);

4. The Employee is being trained for a specific job to which he will be assigned upon successful completion of his training period, unless circumstances, such as a reduction in the force assigned to that job, make such assignment impossible; and

5. The job is not a craft helper, maintenance helper, or repair helper job.

The limitation set forth in paragraph (4) above does not preclude the training of an Employee for the purpose of having a substitute for a regularly assigned Employee available. That limitation does not require
the assignment of the Employee to the position for which he is in training if he fails to qualify for the job upon completion of his training period. The term "specific job" as used in paragraph (4) above does not mean a job which is distinguished from another only by its location.

(j) *Multiple Rated Jobs:* Except as otherwise agreed in writing by the Company and the Union, each job in the following general categories which has been a multiple rated job shall continue to be a multiple rated job:

- Inspectors
- Observers
- Platers
- Die Reamers
- Wire Gaugers
- Wheel Rollers
- Mechanical Repairmen
- Laboratory Workers (including testers and samplers)
- Electrical Repairmen
- Machine Operators
- Template Makers
- Layerouts
- Bench Hands
- Floor Hands
- Fabricating Shop Jobs

The description of each such job shall reflect the duties which a fully qualified Employee may be called upon to perform in the department and the classification shall reflect the requirements for such duties as to training, skill, responsibility, effort and surroundings.

Three grades shall be established for each such job as follows:

- A—at the job class for a fully qualified Employee;
- B—at a job class two job classes below A; and
- C—at a job class four job classes below A.

Any employee who shall enter any of such jobs shall be assigned to grade C, whether or not he shall first work as a learner on the job. Upon completion of 1,040 hours of actual work for the Company in such grade C he shall be advanced to grade B and upon completion of an additional 1,040 hours of such work in grade B he shall be advanced to grade A.

*Subject to the Memorandum of Understanding Concerning Multiple Rated jobs.*
(a) **Existing Incentives:** Each incentive now in effect or hereafter established shall remain in effect, except as changed in accordance with the provisions of this Section or of the Supplemental Agreement dated May 25, 1956, between the parties hereto. The term "incentive" as used in this Section means any incentive plan and the incentive rates under such plan (including: tonnage rates; premium rates; piece rates of continuing application; and standards and guides used in the calculation of piece rates other than those of continuing application). The term "standard hourly wage rate" as used in this Section means the applicable standard hourly wage rate shown in Appendix 2.

(1) **Union Incentive Committee:** In the interest of effective administration of the Incentive Programs and effective processing of incentive grievances under this Section, a Local Union Committee on incentives (hereinafter called the Union Incentive Committee) shall be established in each Local Union. The Union Incentive Committee shall consist of three members, two of whom shall be permanent members of the Committee and shall be appointed by the President of the Local Union, one of whom shall be designated as Chairman. The third member shall be a Department Representative from the zone or area involved. The local parties shall develop a familiarization program designed to make the permanent members of the Union Incentive Committee informed on matters relative to the development and administration of incentives.

(2) **Complaints and Grievances:** The Union Incentive Committee shall assist the Grievance Committeemen and participate in handling incentive complaints or grievances with respect to new or changed incentives in Step No. 2 and Step No. 3 of the complaint and grievance procedure and may participate in Step No. 4 of the grievance procedure when the certified Step No. 4 representatives deem it advisable. 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 Article V, Sections 2 and 3.

(3) **Incentive Checklist:** In order that the parties develop all the facts in Step No. 2 of the complaint and grievance procedure on matters relating to incentive complaints, an Incentive Checklist shall be designed by the parties to serve as a guide for development of the facts for proper review in the complaint and grievance procedure. All information developed from the Incentive Checklist should be embodied in the written record of Step No. 2.
(b) **Right to Establish Incentives:** The Management shall have the exclusive right to establish an incentive (1) for any new job (other than a new job which replaces a job to which an incentive had been applicable), (2) for work which shall not at the time be paid on an incentive basis, or (3) where the Management shall eliminate an incentive in accordance with the provisions of paragraph (g) of this Section. Any such new incentive shall be established in accordance with the procedure set forth in paragraph (d) of this Section, shall be based upon the applicable standard hourly wage rate and shall provide equitable compensation.*

(c) **Recognized Change:** The parties hereto recognize that it may become necessary or desirable from time to time that a then existing incentive be adjusted or replaced because of changes in equipment, changes in manufacturing processes or in materials processed or in methods or standards of manufacture or production, the development of new manufacturing processes or methods, or mechanical improvements made by the Company in the interest of improved methods or products. Whenever any of such changes or such other events occurs and for that reason the Management shall deem it necessary or desirable to adjust an existing incentive (or, if appropriate in view of the changes, to replace an existing incentive plan), the Management shall establish a new incentive in accordance with the procedure set forth in paragraph (d) of this Section. Such new incentive shall be based upon the applicable standard hourly wage rate and shall provide equitable compensation,* provided that, giving due effect to the change or other event by reason of which the new incentive shall have been established, the new incentive shall be designed to provide compensation (including all guarantees, allowances and payments in connection with such new incentive) at least equal to the compensation that would have been provided under the incentive which it replaced.

(d) **Procedure for New Incentives:** Any new incentive shall be established in accordance with the following procedure:

1. **Develop, Explain, Make Effective:** The Management shall develop the incentive and present it to the Union Incentive Committee. It shall also furnish to the Union Incentive Committee and a reasonable number of representatives of the affected Employees as the parties deem advisable information and explanation with regard to the proposed incentive as shall reasonably be required to enable them to understand the new incentive. After notifying the Union Incentive Committee of the date on which the incentive shall be made effective, the Management may put the incentive into effect.

*The term "equitable compensation" is defined in the Memorandum of Understanding of January 4, 1960.
(2) **Trial Basis:** Any incentive may be installed on a trial or experimental basis, provided the Management and the Union Incentive Committee so agree, in which case such agreement shall include the duration of such trial or experimental period and any special guarantees which may be made applicable.

(3) **Complaint or Grievance Time Period:** The grievance committeeman may, at any time after 30 days but not later than 180 days following the effective date of a new incentive, initiate a complaint in Step No. 2 regarding such incentive, in which event such complaint shall be handled in accordance with the procedure set forth in Article XI hereof. If a trial or experimental period has been agreed upon, the applicable time limit for initiating a complaint regarding such incentive shall apply as of the end of such trial or experimental period. If such complaint shall not be so initiated before the expiration of said 180 days, the Union shall be deemed to have agreed that such new incentive shall become established. If such complaint or subsequent grievance shall be submitted to arbitration as provided in said Article XI, the decision of the impartial umpire with regard thereto shall be effective as of the date when the Management shall have put such new incentive into effect.

(4) **Interim Rates:** If the Management, in accordance with the provisions of this Section, shall cancel an existing incentive applicable to any work prior to the establishment of the new incentive which is to replace it, or if an Employee shall perform work which, except for one of the changes specified in paragraph (c) of this Section, would have continued to be paid for on an incentive basis, during the period preceding the establishment of the new incentive on such work each Employee who shall perform such work shall be paid, for all such work performed by him, at an interim hourly rate. Such interim hourly rate shall be equal to the average hourly earnings (not including overtime compensation or shift or Sunday premiums) of all Employees who were assigned to the job on which the work was performed during the 3 months' period next preceding the cancellation or non-payment of such existing incentive or, in the case of a new job as to which there is a requirement to install an incentive, such rate as shall be reasonably related to the average excess above standard hourly wage rates paid on the related jobs being replaced, giving due regard to the relationship of earnings in the promotional sequence involved. In any event, it may be such other interim hourly rate as shall be agreed to by the Management and the Union Incentive Committee. If they fail to agree, then it may be such other interim hourly rate as shall be agreed to by the respective Step No. 4 representatives of the parties. Such interim hourly rate shall be paid to such Employee only so long as he maintains the average performance on such job during such prior 3 months' period. If he voluntarily maintains a performance appreciably below such average performance of such prior 3 months' period, after notification to such
Employee and the Union Incentive Committee, the Management may suspend payment of such interim hourly rate.

(e) **Unfair and Unreasonable Incentives:** Subject to the provisions of Section 1 of Article XI of this Agreement, if any Employee shall claim that by reason of any change or other event specified in paragraph (c) of this Section which shall occur, his incentive has become unreasonable and unfair, he may initiate a complaint in respect thereof and such complaint shall be handled in accordance with the procedure set forth in Article XI hereof. If in the determination of such complaint or subsequent grievance such incentive shall be changed, the new incentive shall be established in accordance with the principles set forth in paragraph (c) of this Section.

(f) **Agreement to Revise or Replace:** Any incentive may be revised or replaced by agreement in writing between the Management and the Union Incentive Committee for the applicable Local Union.

(g) **Elimination and Replacement:** If the average straight-time hourly earnings of the Employees paid under a particular incentive plan, for the pay periods ended during the preceding calendar quarter, are lower than or equal to the standard hourly wage rates of such Employees, the Company may eliminate such plan provided the Management replaces such plan with a new or adjusted plan in accordance with the provisions of paragraph (b) of this Section.

**Section 3. Due Effect Revisions**

If prior to the time when an existing incentive plan shall be replaced with a new incentive plan under the provisions of Section 5 of the Supplemental Agreement dated May 25, 1956, an existing incentive wage rate shall be adjusted because of the occurrence of any of the changes or events set forth in Section 2(c) of this Article, such adjustment shall be made in accordance with the procedure of Section 2 of this Article and the adjusted incentive shall be developed by the Management in accordance with the usual practice now in effect with it at the Plant and on the principle that the new incentive shall, giving due effect to the change or other events by reason of which the new incentive shall have been established, be in equitable relationship to the incentive which it replaced and provide equitable compensation.

**ARTICLE VI—SHIFT AND SUNDAY PREMIUMS**

**Section 1. Shift Definitions**
For the purpose of this Article:

(a) All shifts beginning between 6 a.m. and 9 a.m., inclusive, shall be considered day shifts.

(b) All shifts beginning between 2 p.m. and 5 p.m., inclusive, shall be considered middle shifts.

(c) Each Employee scheduled to work on the middle shift shall be paid a middle shift premium of 30 cents per hour for all hours worked by him on that shift, and each Employee scheduled to work on the night shift shall be paid a night shift premium of 45 cents per hour for all hours worked by him on that shift.

Section 2. Amount of Shift Premiums

Each Employee scheduled to work on the middle shift shall be paid a middle shift premium of 30 cents per hour for all hours worked by him on that shift, and each Employee scheduled to work on the night shift shall be paid a night shift premium of 45 cents per hour for all hours worked by him on that shift.

Section 3. Payment of Shift Premiums

An Employee who begins work at a time not specified in Section 1 of this Article shall be paid the middle shift premium for all hours worked by him within the hours of the prevailing middle shift in his department and the night shift premium for all hours worked by him within the hours of the prevailing night shift in his department. If there is no such prevailing middle shift or prevailing night shift, such Employee shall be paid the middle shift premium for all hours worked by him between 3 p.m. and 11 p.m. and the night shift premium for all hours worked by him between 11 p.m. and 7 a.m.

Section 4. Determination of Shift Worked

(a) Shift Definitions: For the purposes of this Article, except as hereinafter in this Section provided, all consecutive hours (exclusive of meal periods) worked by an Employee who begins work at a time specified in Section 1 hereof shall be deemed to be worked by him on the shift on which he begins work.

(b) Premium Pay-Long Turn: If an Employee who is scheduled to work on the day shift works throughout such shift and continues to work for more than 4 hours into the middle shift, he shall be paid the middle shift premium for all hours worked by him after such 4 hours.

(c) Premium Pay-Employee Recalled: If an Employee who is scheduled to
work on the day shift works throughout that shift and, after leaving the Plant, is called back to work on the middle shift or the night shift, he shall be paid the middle shift premium for all hours worked by him on the middle shift and the night shift premium for all hours worked by him on the night shift.

Section 5. Shift Premiums-Overtime Pay

Shift premiums payable under the foregoing provisions of this Article shall be included as part of the Employee's regular rate of pay for the purpose of computing overtime under Article VII of this Agreement, but such premiums shall not be added to hourly base rates for the purpose of calculating incentive earnings.

Section 6. Sunday Premium

For all time worked on Sunday which is not paid for on an overtime basis, a premium of 50% based on the regular rate as defined in Section 5 of Article VII of this Agreement shall be paid; provided, however, that Sunday premium in addition to overtime premium shall be paid for the hours worked on Sunday which are paid on an overtime basis pursuant to Article VII, Section 3(a) clause (1) as a result of work performed on the preceding Saturday, it being understood that such overtime and Sunday premium payments shall not be compounded. For the purpose of this provision, Sunday shall be deemed to be the 24 hours beginning at 12:01 a.m. Sunday or the turn-changing time nearest thereto.

ARTICLE VII—HOURS OF WORK AND OVERTIME

Section 1. Normal Hours of Work

(a) Scheduling the Norm: In accordance with the practice prevailing at the respective Plants, the normal daily hours of work shall be 8 consecutive hours, excluding luncheon periods and rest periods where such periods are provided, and the normal weekly hours of work shall be 40 hours. The Management Will make a diligent effort so to schedule Employees for work that at least 85% of the Employees at any Plant shall be scheduled for work on a normal work pattern of 5 consecutive workdays followed by 2 consecutive days off in each 7 consecutive days. If an Employee shall receive 4 consecutive days off in each 14 consecutive days pursuant to an agreement between the Management and the Grievance Committee, such Employee may be included in computing such 85%. Each Employee assigned to a working schedule agreed to by the Management and the Grievance Committee and which does not provide 2 consecutive days off in each 7 consecutive days or 4 consecutive days off in each 14 consecutive days
may be included in computing such 85%. If an Employee shall be paid at the overtime rate hereinafter in this Article specified for all hours worked by him on any day, then, for the purpose of computing such 85%, that day shall be counted as a day off. The Management will also endeavor to give Employees notice of any changes in their weekly working schedules in time to enable them to make changes in their plans in order to meet such schedules.

(b) **Posing of Schedules:** Schedules of the Employees regular workdays shall be posted or otherwise made known to Employees in accordance with prevailing practices at the respective Plants, when practicable on Thursday but not later than Friday of the week preceding the calendar week in which they shall be effective; provided, however, that in the case of breakdowns or other conditions beyond the control of the Management or because of the requirements of the business the Management may change such schedules after Friday of the week preceding the calendar week in which they shall be effective. Should changes be made in schedules contrary to this Section 1(b) 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 7 of this Article VII.

(c) **Guarantee of Hours:** The foregoing provisions of this Section shall not be construed as guaranteeing to any Employee any number of hours of work per day or per week. The Management will from time to time furnish to the Grievance Committee such information as such Committee shall reasonably request with regard to the compliance by the Management with the provisions of this Section.

**Section 2. Starting Times**

The starting times of regular turns at the respective Plants shall be determined from time to time by the Management, and, in so far as practicable, notice of any change in any such starting time shall be posted on the bulletin boards in the departments affected thereby at least 48 hours before such change shall become effective.

**Section 3. Conditions Under Which Overtime Rates Shall Apply**

(a) Overtime compensation at the rate of one and one-half times the Employee's regular rate of pay (as hereinafter in Section 5 of this Article defined) shall be paid for all time worked by such Employee,

(1) in excess of 8 hours within a workday; provided, however, that the same hours shall not be included in more than one workday, or
(2) in excess of 40 hours within a payroll week, or

(3) on any workday within a payroll week after he shall have worked on 5 previous days in that week; provided, however, that for the purpose of this clause (3) an Employee shall be deemed to have worked on any of such 5 previous workdays on which he shall have been scheduled to work and on which he did not work because his schedule was changed after Friday of the preceding week, but this proviso shall not be applicable to changes in schedules in the case of breakdowns or other conditions beyond the control of the Management, or

(4) on any sixth or seventh workday of a 7-consecutive-day period during which the first 5 days were worked by the Employee whether or not all of such days fall within the same payroll week as defined in Section 5(b) of this Article, except when that day is worked pursuant to a schedule approved by the Grievance Committee; provided, however, that no overtime compensation under this provision will be due unless the Employee shall notify 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 hours may become 152 consecutive hours depending upon the change in the shift. For the purposes of this clause (4) all working schedules now normally used (where approval has not been withdrawn) in any department of any Plant shall be deemed to have been approved by the Grievance Committee. Such approval may be withdrawn by the Grievance Committee by giving 60 days' prior written notice thereof to the Management, or

(5) 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 7 of this Article for purposes of disqualifying an Employee for reporting allowance.

(b) Overtime compensation shall be paid for all time worked by an Employee on a holiday as defined in Article VIII of this Agreement at the rate of two and one-half times the Employee's regular rate of pay.

(c) Where local practices or agreements with respect to the distribution of overtime currently allow overtime work opportunities to be distributed unequally, the Management and the Local Union shall conclude by July 1, 1990, an agreement providing for equitable overtime distribution consistent with the efficiency of the operation. If agreement is not reached by July 1, 1990, the Management may implement necessary equitable overtime distribution procedures, changed to the extent necessary to provide equitable distribution of overtime work opportunities.
Section 4. Overtime Computation Non-Compounding

(a) **Highest Rate Applicable:** For the purpose of computing overtime compensation under this Article, if more than one of the provisions of this Agreement with regard to the payment of overtime compensation shall be applicable to any time worked by any Employee, he shall be paid for such time at the highest overtime rate specified in any of such applicable provisions but he shall not be entitled to additional overtime compensation for such time under any other of such provisions.

(b) **Holiday Liability:** 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 clause (3) or (4) of Section 3(a) of this Article, and hours worked on a holiday shall be counted for purposes of computing overtime liability under the provisions of clause (1) of Section 3(a) of this Article. Except as provided in this paragraph (b), hours paid for but not worked shall not be counted in determining overtime liability.

Section 5. Overtime Compensation Computation

The following provisions shall apply in the computation of overtime compensation under this Agreement:

(a) The term "regular rate of pay" shall mean

(1) **Nonincentive:** in the case of an Employee who shall be paid at a fixed rate of pay per hour, such rate of pay; or

(2) **Incentive Basis:** in the case of an Employee who shall be paid on any incentive basis, the amount of his average rate of earnings per hour on the position on which he shall work the particular overtime for the payroll week (or for the other period for which such earnings are regularly computed) during which such overtime shall be worked; provided, however, that if he works on a position for which it is the regular practice to compute such average rate of earnings for the position as such, such average rate shall continue to be computed on that basis for the purposes of this paragraph; and provided, further, that overtime compensation and shift and Sunday premiums shall not be included in computing such average rate of earnings per hour, but any shift premium to which such Employee shall be entitled under Article VI of this Agreement for the overtime hours worked shall be added to such average rate of earnings per hour in computing such regular rate of pay.
(b) A payroll week means a period of 7 successive days (of 24 hours each) beginning at 12:01 a.m. Sunday or at the turn-changing time nearest thereto; and a workday means the 24-hour period beginning with the time the Employee begins work, except that the workday of an Employee who reports late shall begin at the time it would have begun had he not reported late.

(c) Computation of Days Worked: In computing the number of workdays in which an Employee has worked for the purposes of this Section: (1) if a shift includes a part of each of 2 workdays, an Employee who works on that shift shall be deemed to have worked only on the first of such days; (2) if an Employee works beyond the end of his scheduled shift into the next succeeding workday, he shall not be deemed to have worked on such succeeding day, unless he shall work more than 1 hours on that day or shall have been called back to work on that day after leaving the Plant; (3) if an Employee begins work before the regular starting time of his shift and the time at which he so begins work falls within the workday preceding the workday on which such shift so starts and he has not previously worked on such preceding day, it shall not be counted as a day worked by him unless he shall have worked at least 4 hours on that day.

Section 6. Recall Employees or Work Overtime

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

Section 7. Reporting Pay

If an Employee shall be required by the Management to report for work on any day and he shall report at the time and place at which he was required so to report, he shall be paid a minimum of 4 hours' pay at the standard hourly wage rate set forth in Appendix 2 which would have been applicable had he worked such 4 hours in the position for which he was required so 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 by him in accordance with the provisions of Article IV hereof and credited with an amount equal to the standard hourly wage rate which would have been applicable had he worked in the
position for which he was scheduled or notified to report multiplied by the unutilized portion of the 4-hour minimum. Any pay under this Section shall include any applicable overtime, shift and Sunday premium (computed solely on the basis of the standard hourly wage rate). The provisions of this Section shall not apply to an Employee if

(a) at his own request or because of his own fault, he shall not be put to work or shall not complete 4 hours of such work after having been put to work, or

(b) he shall be assigned to another position of at least equal job class which he shall be qualified to fill and shall refuse to work at such other position or because of his own fault shall not complete 4 hours of such work after having been put to work at such position, or

(c) he shall not be put to work or shall not complete 4 hours of work after having been put to work by reason of any strike or other stoppage of work in connection with any labor dispute or any failure of utilities beyond the control of Management or Act of God.

ARTICLE VIII — HOLIDAYS

Section 1. Holidays

Whenever used in this Agreement, the term "holiday" means one of the following days: January 1, Washington's Birthday (which shall be the third Monday in February), April 28 (Workers Memorial Day), Memorial Day (which shall be the last Monday in May), July 4, Labor Day, Thanksgiving Day, the day following Thanksgiving Day, the day preceding Christmas and Christmas Day, and 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). If any of such holidays shall fall on a Sunday, the following Monday (and not such Sunday) shall be observed as such holiday. The local parties may agree to observe any one of the foregoing holidays on a date other than that designated, provided agreement as to the holiday and the alternate observance date for that holiday is reached by not later than October 1 of the preceding year.

Section 2. Eligible Employee

An eligible Employee who does not work on a holiday shall be paid 8 times the employee's applicable vacation straight time rate, as calculated under the provisions of Article IX, Section 6(a); provided, however, that if
an eligible employee does not have an established vacation rate he shall be paid 8 times his average hourly earnings exclusive of shift, Sunday and overtime premiums for the lost pay period worked prior to the holiday. If an eligible Employee is scheduled to work on any such holiday, but fails to report and perform his scheduled or assigned work, he shall become ineligible to be paid for the unworked holiday, unless he has failed to 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. As used in this Article, an eligible Employee is one who

(1) has worked 30 turns since his last hire; 08.02.02

(2) performs work or is on vacation in the pay period in which the holiday is observed (or where there are weekly pay periods, the pay period in which the holiday is observed or the next preceding pay period) or is on layoff in the pay period in which the holiday is observed but performed work or was on vacation in both the pay period (2 pay periods in the case of weekly pay periods) immediately preceding and the pay period (2 pay periods in the case of weekly pay periods) immediately following the pay period in which the holiday is observed; and 08.02.03

(3) works as scheduled or assigned both on his last scheduled workday prior to and his first scheduled workday following the day on which the holiday is observed, unless he has failed so to work because of sickness or because of death in the immediate family or because of similar good cause. 08.02.04

**Section 3. Vacation and Holiday Pay** 08.03.00

(a) **Eligible Employee on Vacation:** An eligible Employee who would otherwise be entitled to pay for an unworked holiday and who shall be scheduled pursuant to the provisions of Article IX to take a vacation during a period when a holiday occurs shall be paid for the unworked holiday in addition to his vacation pay. The provisions of clause (3) of Section 2 of this Article shall not apply to a day on which an Employee is scheduled on vacation. 08.03.01

(b) **Vacation-Layoff-Holiday Pay:** The provisions of paragraph (a) 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 2 or 3 of this Article. 08.03.02
Section 4. Part-Time Employees—Hourly Pay

An eligible part-time Employee shall receive pay for holidays in accordance with the foregoing provisions of this Article, but the pay that he shall receive for any such holiday shall be an amount equal to his applicable hourly rate (as defined in Section 2) times the lesser of 8 or the average number of hours worked by him per day in the preceding 2 pay periods.

Section 5. Limitation of Holiday Pay

No Employee shall receive more than the compensation specified in Section 3 (b) of Article VII for hours worked on any holiday.

Section 6. Duration of Holiday

A holiday shall be deemed to be the 24-hour period beginning at 12:01 a.m. of the holiday or at the turn-changing time nearest thereto.

Section 7. Holiday Pay—General Wages Changes

Holiday allowances shall be adjusted by an amount per hour to reflect any general wage changes in effect at the time of such holiday, but not in effect in the period used for calculating holiday allowance.

ARTICLE IX—VACATIONS

Section 1. Vacation Benefits

Subject to the provisions of this Article, an Employee who has completed the years of continuous service indicated in the following table in any calendar year during the term of this Agreement shall receive during such year a vacation corresponding to such years of continuous service and vacation pay as follows:

<table>
<thead>
<tr>
<th>Years of Continuous Service</th>
<th>Vacation Time Off and Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 3</td>
<td>1 week</td>
</tr>
<tr>
<td>3 to 10</td>
<td>2 weeks</td>
</tr>
<tr>
<td>10 to 17</td>
<td>3 weeks</td>
</tr>
<tr>
<td>17 to 25</td>
<td>4 weeks</td>
</tr>
<tr>
<td>25 and over</td>
<td>5 weeks</td>
</tr>
</tbody>
</table>
Effective January 1, 2000, the following table shall apply:

<table>
<thead>
<tr>
<th>Years of Continuous Service</th>
<th>Vacation Time Off and Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 3</td>
<td>1 week</td>
</tr>
<tr>
<td>3 to 8</td>
<td>2 weeks</td>
</tr>
<tr>
<td>8 to 15</td>
<td>3 weeks</td>
</tr>
<tr>
<td>15 to 24</td>
<td>4 weeks</td>
</tr>
<tr>
<td>24 and over</td>
<td>5 weeks</td>
</tr>
</tbody>
</table>

**Section 2. Employee Eligibility**

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) have worked at least 520 hours in the preceding calendar year; 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 have worked at least 520, hours or more in that calendar year. If an Employee worked during part of the preceding calendar year he shall be deemed, for purposes of vacation eligibility requirements, to have worked during any part of the balance of such year during which he was absent on account of an occupational disability or while in military service in the year of his reinstatement to employment.

An Employee, even though otherwise eligible under this Article, forfeits the right to receive vacation benefits under this Article if he quits, retires, or is discharged prior to January 1 of the vacation year.

**Section 3. Continuous Service**

For the purposes of this Article, 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 1, the date shall be the date of first employment at the Plant from which first transferred); or (b) a subsequent date of employment following a break in continuous service, whichever of the above two dates is the later. Such continuous service shall be computed in accordance with the provisions of Section 2 and Section 3 of Article X 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 Section 3(c) of Article X-Seniority) in the calculation of service for vacation eligibility.
Section 4. Scheduling of Vacations

(a) General

(1) October 1 Preferences: 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.

(2) Vacation Notice: 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.

(3) Allocation of Vacation Periods: Vacations will, so far as practicable, be granted at times most desired by Employees (Employees having longer service at the Plant 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.

(4) Vacation Schedules-Absent Employees: 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 his vacation scheduled in accordance with the provisions of Section 4(a) (3) above.

(5) Vacation in Lieu of Layoff: 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.

(6) Vacation Schedules-Transferred Employees: 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

* See Appendix 28, Paragraph 4.
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 in Employee in the unit, the Employee in the unit shall retain his preference in competition with the transferred Employee regardless of continuous service.

(b) Vacation Schedules

(1) **Vacation Scheduling Period:** Vacations provided under this Article may be scheduled throughout the calendar year.

(2) **Pay in lieu of Vacation:** The Company may, with the consent of the Employee, pay him vacation allowance, in lieu of time off for vacation, for any weeks of regular vacation in excess of two weeks in any one calendar year.

(3) **Calendar Week Containing New Year's Day:** 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 regular 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 Section 4(b)(3), 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.

(c) **Vacation Pay Advance:** If an Employee makes a written request for payment of his vacation allowance at least two weeks in advance of the time he is scheduled to take such vacation, he will receive the estimated net amount due him for such vacation period not later than the Friday before he takes the vacation
Section 5. Vacation Scheduling Complaints and Grievances

(a) Procedure: It is recognized that the parties locally have the burden of resolving disputes relating to the scheduling of individual vacations pursuant to Section 4 of this Article. Should they be unable to do so, any such dispute must be submitted as a complaint in Step No. 1 not later than 15 days after notification of the scheduled vacation (or changed scheduled vacation) is given to the Employee.

Such complaint or grievance must be handled in the complaint and grievance procedure in order that: the Step No. 3 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 No. 4 meeting is held and a draft of minutes prepared not later than 70 days prior to the start of the scheduled vacation; and, if necessary, a decision in arbitration is issued by the earlier of (1) 30 days prior to the scheduled starting date of the vacation, or (2) 30 days prior to the starting date requested by the Employee, except that:

1. Time Limits—Employee Date: 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;

2. Notice of Starting Date—100 Days: If the period between notice to the Employee and the starting date of the vacation is less than 100 days, the time limit set out above shall be reduced by the number of days by which such period is less than 100 days; and

3. Untimely Complaint or Grievance: 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.

(b) Vacation Schedules and Operations: In the resolution of complaints or grievances presented under this Section, 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.

Section 6. Vacation Pay Computation

(a) Rate Calculation: Each Employee granted a vacation under this Article will be paid at his average straight time rate (standard hourly wage rate plus incentive) for the prior calendar year. The average straight time rate (for the purposes of this Section) shall be computed by:
(1) Totaling (a) pay received for all hours worked (excluding premium for overtime, holiday, Sunday and shift differential), (b) vacation pay, including pay in lieu of vacation, and (c) pay for unworked holidays, and

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

Such average straight time rate will be adjusted to reflect intervening general wage changes and retroactive pay adjustments, if any, for the job or jobs performed or paid for.

(b) **Hours Calculation:** 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:

(1) Totaling the following hours in payroll weeks with 32 or more hours of actual work:

   (a) Hours worked
   (b) Hours paid for unworked holiday or vacation hours falling in such week
   (c) Hours paid for funeral leave
   (d) Hours paid for jury service
   (e) Hours paid for witness service
   (f) Hours excused from scheduled work and not paid for because of Union business

(2) 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.

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 (a) above.

The definitions contained herein are designed for and shall be used exclusively for the purpose of calculating vacation pay.

**Section 7. Vacation Opportunities**
(a)  **Company and Union Objective:** The Union and the Company agree that their mutual objective is to afford maximum opportunity to afford 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 Section 4(b)(2).

(b)  **Pay in Lieu of Vacation:** The vacation allowance paid to such an Employee shall be computed as set forth in Section 6 above.

(c)  **Rescheduling Not Required:** Any payment of vacation allowance shall not require the Company to reschedule the vacation of any other Employee.

### Section 8. 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.

### ARTICLE X — SENIORITY

**Section 1. Factors Affecting**

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

In the promotion of Employees to non-supervisory positions and for the purpose of demotions, or layoffs in connection with the decreasing of the working force and of the recalling to work of Employees so laid off, the following factors shall be considered, and if factors (b) and (c) are relatively equal, length of continuous service shall govern:

(a)  Length of continuous service;

(b)  Ability to perform the work; and

(c)  Physical fitness.

**Filling A temporary Vacancy:** In the filling of a temporary vacancy within a seniority unit, the Management shall, to the greatest degree that shall be consistent with efficiency of the operation and the safety of Employees, fill the
vacancy with the Employee, in the seniority unit or on the particular turn in such unit in which the vacancy shall occur, having the greatest length of continuous service.

Temporary Vacancy—3 or More Weeks' Duration: In the filling of a temporary vacancy known to be of 3 or more weeks' duration, the Management shall, to the greatest degree that shall be consistent with efficiency of the operation and the safety of Employees, fill the vacancy with the Employee in the seniority unit having the greatest length of continuous service, at the earliest date on which such Employee can be so assigned without payment of overtime; provided, however, that for purposes of this provision the parties may hereafter agree locally upon a period other than the 3 weeks specified above. Existing local agreements or practices applicable to temporary vacancies of less than 3 weeks' duration shall be retained, except as they may hereafter be modified by local agreement.

Section 2. Continuous Service

(a) Starting Date-Break In: Subject to the provisions of Section 3 and Section 6 of this Article and the provisions of Article XV hereof, the length of continuous service of an Employee shall be computed from the date on which he first began work at the Plant, except that such length of service shall be broken and no prior period or periods of employment shall be counted

(1) if he shall voluntarily quit his employment;

(2) if he shall be discharged;

(3) if his employment shall be terminated by the Company, because he shall have been absent from work for 10 days or more without reasonable cause (notice of which shall be given to the Local Union at least 48 hours prior to the termination) or because he shall have failed without such cause promptly to return to work after a leave of absence or when recalled to work after a layoff;

(4) if he shall be absent due to layoff or disability beyond the period specified in Section 3 below; or

(5) if his length of service shall be broken in accordance with the provisions of Article XVIII or Section 13 of this Article.

Section 3. Continuous Service

(a) Continuation When Absent: Subject to the provisions of paragraph (c) below, if an Employee is absent from the Plant because of layoff or physical disability, he shall continue to accumulate continuous service during such
absence for two years, and for an additional period equal to (i) three years, or (ii) the excess, if any, of his length of continuous service at commencement of such absence 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 Article, including 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.

(b) Absence—Non-Occupational Disability: The length of continuous service of an Employee who was unable to work because of non-occupational disability and who returned to work prior to January 4, 1960, shall not be deemed to have been broken on account of such absence but the excess of his period of absence over 6 months shall not be included as a part of his length of continuous service.

(c) Absence—Compensable Disability: Absence due to a compensable disability incurred during the 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. (See Appendix 28, paragraph 11)

Section 4. Employees-Acquired Plants

In computing the length of continuous service of an Employee at a Plant, if such Plant shall have been acquired by the Company, there shall be included the period of continuous service of such Employee at such Plant prior to its acquisition by the Company.

Section 5. Promotional Seniority

An Employee who has attained a higher position than other Employees through the failure of such other Employees to accept promotions shall have a higher seniority standing than such other Employees for the purpose of the provisions set forth in Section 1 of this Article relating to promotions.

Section 6. New or Reemployed Employees

A new Employee and one who shall be re-employed after a break in his continuous service shall not acquire any seniority until the expiration of 520 hours of actual work following his employment and shall not receive any credit
for continuous service during such period. **For all such employees hired after August 1, 1999, the probationary period will be one thousand (1,000) hours.** If he shall be continued in the employ of the Company after the expiration of such 520 hours of actual work, the length of his continuous service shall be computed from the date of his employment or re-employment in accordance with the provisions of Section 2, Section 3 and Section 4 of this Article. During the first 520 [or one thousand(1,000)] hours of actual work, he may be laid off or discharged as the Management shall determine and his layoff or discharge shall not be made the basis of any claim, complaint or grievance against the Company; provided that this will not be used for purposes of discrimination because of race, color, religious creed, national origin, handicap, disabled veterans and veterans of the Viet Nam era, sex or age (except where sex or age is a bona fide occupational qualification) or because of membership in the Union.

Where a new Employee is relieved from work because of lack of work and his employment status terminated in connection therewith, and he is subsequently rehired at the same Plant within one year from the date of such termination, the hours of actual work accumulated by such 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 twenty (520) [or one thousand(1,000)] hours of actual work; provided, however, that should such an Employee complete five hundred twenty (520) [or one thousand(1,000)] 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 plant, his continuous service date will be the date of hire for his prior employment.

**Section 7. Breaking Ties**

The Grievance Committee and Management shall establish rules (where such rules do not exist) for breaking ties where Employees have the same continuous service dates.

**Section 8. 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 unit or 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 the Superintendent of Labor Relations and the chairman and secretary of the Grievance Committee. Local seniority agreements in effect as of the date of this Agreement shall be consistent with Appendix 38. Hereafter all future local seniority agreements shall provide that: all promotions (including step ups), 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 and shall be posted in the Plant.

**New Jobs:** 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 grievance procedure of this Agreement.

**Section 9. Conflicting Seniority Claims**

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.

**Failure to Agree:** In the event the above procedure does not result in agreement, the International Union and the Company may work out such agreement 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.

**Section 10. Seniority Pools**

**Purpose:** The purpose of this Section is to increase intra-plant job security.
for longer-service Employees. The application of seniority provisions other than those established under this Section 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 Section.

**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.

(a) **Pool Composition:** 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 number of all of the 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 a 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 Section.

(b) **Assignment Within A Pool:** An Employee who at the time he is or otherwise would be laid off has two 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 the 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, the 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, the 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.

(c) Permanent Shutdowns/Extended Layoffs: In a Plant in which there is established more than one agreed-upon area as defined above, the following shall apply: In the event of a permanent shutdown of a facility as defined in Article XVIII or a layoff of one or more Employees for a period which extends for three months or more (or any lesser period which may be agreed to by the local parties) 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 in the pool with less Plant service provided he is qualified to perform the job and has the necessary qualifications required in the promotional sequence involved. Such assignments to jobs shall be subject to the same rules as apply in paragraph (b) 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 that 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 pool from which he was laid off; and provided, further, that the Management 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.

(d) 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.

(e) Liability – Recall – Wrong Employee: 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

* May be modified by Appendix 28, paragraph 14.
agreements. 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.

(f) Schedule Changes: 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 Section 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.

Section 11. Manning New Facilities

(a) In the manning of jobs on new facilities in the 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 paragraph (b) below.

(1) Displaced By Replacement Facilities: Employees displaced from any facility being replaced in the Plant by the new facilities.

(2) Displaced By New Facilities: Employees being displaced as the result of the installation of the new facilities.

(3) Employed On Like Facilities: Employees presently employed on like facilities in the Plant.

(4) Laid Off From Like Facilities: Employees presently on layoff from like facilities in the Plant.

(5) Other Employees: 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.

(b) Type of Service For Qualification: 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. Should the local parties fail to agree on the standards for determining qualifications, an applicant otherwise eligible shall have:

(1) Necessary Qualifications: The necessary qualifications for
performing the job.

(2) Ability to Absorb Training: 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.

(3) Qualifications to Progress in Sequence: 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.

c) Disqualified Applicant - Right to Apply: An applicant who is disqualified under paragraph (b)(3) above shall have the right to apply for another job for which he believes he can qualify.

d) Local Rules for Second Opportunity Transfers: When new facilities are to be manned pursuant to this Section, 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:

(1) Job Level in Sequence: 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.

(2) Time Limits on Second Opportunity: 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.)

Alternate Methods: In lieu of or in addition to the foregoing, the 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.

(e) Temporary Assignment to Regular Job: 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.

(f) **Facilities at More Than One Plant:** 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.

**Section 12. 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 Section 10(d).

(a) Subject to the exception provided by paragraph (c) 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 who have satisfactorily completed their probationary periods (for employees hired on or after August 1, 1999, six months of plant service or the end of such employees' 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 who have satisfactorily completed their probationary periods (for employees hired on or after August 1, 1999, six months of plant service or the end of such employees' 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 Article X, Section 18, shall be eligible to bid on vacancies notwithstanding the plant service requirement set forth above.
(b) However, in Plants where operating circumstances so warrant (such as size, geography, job relationships, physical proximity, safety, and other appropriate factors), a two-step procedure for filling permanent vacancies shall be 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 6 months of Plant service (for employees hired on or after August 1, 1999, six months of plant service or the end of such employees' 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.

(c) As an exception to the procedures for filling vacancies provided for by paragraph (a) 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.

(d) Vacancies shall be made available in accordance with the seniority factors set forth in Section 1 of this Article subject to the following:

1. **Qualified to Perform:** An Employee must be qualified to perform the job.

2. 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 (3) below.
(3) **Qualified to Progress in Sequence:** 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 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.

(e) **Results of Transfer:** An Employee who transfers under this Section shall have the right to voluntarily return to the unit from which he transferred within a 30-calendar day period commencing from the date of his transfer or Management may, within the same period, return him to that unit because he cannot fulfill the requirements of the job. In either event, his return to his former unit within such 30-calendar day period shall be without loss of seniority standing in such unit. In the event an Employee voluntarily returns to the unit from which he transferred, such Employee shall not be eligible for transfer for twelve months following his return.

(1) An Employee who bids and prevails under a plant-wide posting of a job vacancy and accepts the transfer to that vacancy shall not be eligible to bid on any other plant-wide job vacancy posting during the next twelve months following that transfer unless he is displaced from the new unit transferred to by a reduction in force or other cause.

(2) An Employee who bids and prevails on either a plant-wide or department-wide posting of a job vacancy and declines the transfer to that vacancy, shall not be eligible to bid on any other posting of a vacancy in the unit to which the transfer was declined during-the next twelve months following that event.

(3) Sub-paragraphs (1) and (2) above shall not apply to plant-wide postings of permanent vacancies in apprenticeships or in entry level jobs in lines of promotion containing occupations which in fact lead to craft jobs. However, they shall apply to plant-wide postings of permanent vacancies in journeyman trade or craft jobs.

(f) 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.

**Section 13. Intraplant Transfers**
Subject to the provisions of Section 2 and Section 6 of this Article, the following provisions shall apply in respect of transfers of Employees within any Plant:

(a) **Employee Transfer—Not Requested:** If an Employee has been or shall be transferred from one seniority unit to another seniority unit other than at his own request; he shall retain and continue to accumulate seniority rights in the seniority unit from which he was or shall be transferred for a period of not longer than 6 months or for such other period as shall be agreed upon by the Management and the Grievance Committee.

(b) **Promotion to Supervisory Position:** If an Employee has been or shall be promoted to a supervisory position, he shall retain and continue to accumulate seniority rights in the seniority unit from which he was or shall be so promoted.

(c) **Assignment of Disabled Employees:** If an Employee (1) who was or shall be disabled while in military service and was or shall be re-employed in accordance with the provisions of Article XV of this Agreement or (2) who was or shall be disabled in the course of his employment with the Company, was or shall be transferred by agreement between the Management and the Grievance Committee from one seniority unit to another to accomplish his rehabilitation or to restore him, after a period of rehabilitation deemed reasonable by the Company’s medical department, to the seniority unit from which he shall originally have been transferred, he may, by agreement between the Management and the Grievance Committee, carry with him his total accumulated seniority rights in any and all seniority units from which he shall be so transferred.

(d) **Furnish Return Notice:** The Management shall furnish to each Employee who shall be transferred from a seniority unit, and to his Local Union, a copy of the Return Notice on which shall be indicated whether the transfer is at the request of the Employee or at the direction of the Management.

(e) **Reemployment—Laid-Off Employee:** An Employee who shall be laid off from the Plant and who thereafter shall be employed by the Company in another seniority unit shall not be deemed to have been transferred for the purposes of this Section and Section 12 of this Article.

**Section 14. Seniority of Union Officers**

(a) Each member of the Grievance Committee and each Employee who
at the time shall be the President, Vice-President, Recording Secretary, Financial Secretary and Treasurer of the Local or Locals of the Union at any Plant shall, for their respective terms of office, have top seniority rights in the area within the Plant which they represent for the purposes of layoffs in connection with the decreasing of the working forces in such area; provided, however, that a Grievance Committeeman or an officer of a Local of the Union shall not be retained in the employ of the Company unless work which he can perform is available in such area. Notwithstanding the provisions of any local seniority agreement, retention at work in accordance with this Section 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.

(b) Designated Union Officer: At each Plant the District Director of the Union shall designate in writing to the Superintendent of Labor Relations the names of the Grievance Committeemen (not exceeding 10 at any Plant) who shall have top seniority rights in accordance with the foregoing provisions of this Section.

(c) Leave of Absence—Union Officers: Any Employee having a length of continuous service with the Company of one year or more who shall be appointed or elected to an office in the Union at the Plant at which he shall be employed, may, upon the written request of the Union, be granted a leave of absence for a period of one year. By agreement of the Company and the Union, such leave of absence may be extended or renewed for a further period of one year or for such other period or periods as shall be agreed upon. Such Employee's length of service record shall be computed as though he were continuously employed by the Company during such leave of absence.

Section 15. Reduction of Work Force-32 Hr. Week

If, as a result of a decrease in work other than decreases which may occur from day to day, the average scheduled hours of work of the Employees in a seniority unit shall be reduced for a period of 2 consecutive weeks to less than 32 hours per week and in the judgment of the Management that level of work will continue for an extended period of time, the head of the department affected will discuss with the Grievance Committeeman in such department the question whether a decrease of the working force shall be effected in accordance with the provisions of this Article or whether the available hours of work shall be distributed among the Employees in such unit so far as shall be practicable with due regard for the particular skills and abilities required to perform the work available there. If the head of the department and such Grievance Committeeman shall fail to agree, the working force in such unit shall be reduced to an extent which shall be sufficient to enable the Employees working there to average 32 hours of work per week.
Section 16. Posting of Permanent Vacancies

10.16.00

(a) When a permanent vacancy in any job in a seniority unit shall occur which is to be filled by promotion, the Management shall, so far as shall be practicable, post a notice of such vacancy in the department for a period of 30 days.

(b) 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.

(c) 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, method of bidding, period for selection, 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.

(d) 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.

(e) The term entry level job -refers to the job or jobs in a seniority unit or line of promotion in which permanent vacancies remain after all Employees with incumbency status in such unit or line have exercised their promotional and other seniority rights.

(f) An employee temporarily held for more than 30 days from assignment to any position to which he has successfully bid pursuant to the provisions of Article X, Sections 12 and 16 of this Agreement, shall be paid the greater of the earnings applicable to the job he is performing or the earnings applicable to the job to which he would otherwise be assigned to as a result of his bid or transfer.

Section 17. Seniority Lists

10.17.00
The Management shall furnish to the Local Union concerned lists showing the continuous service of each Employee in each seniority unit. Such lists shall be revised by the Management from time to time, as necessary, but at least every 6 months 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.

Section 18. Inter-plant Transfers

(a) An Employee continuously on layoff for 60 days or more, or three months or more in the case of a second assignment pursuant to this Section, 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 Plants of the Company, as set forth in Appendix 1, and covered by an agreement between the Company and the International Union, all in accordance with the following:

(1) Eligibility: Priority in the filling of job vacancies (other than temporary vacancies) in the Plants shall be afforded Employees in accordance with the following:

Priority: Such priority shall be first afforded to such laid-off Employees who have not been otherwise provided employment by the Management and:

Shutdown: Who have two or more years of Company continuous service at the date of the shutdown and who (a) have elected not later than 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 recall rights to a job in the 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

Layoff: Who have two 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 within one year from the date of layoff and (b) cannot qualify for an immediate pension and (c) within 30 days after being advised by the Management of such option apply for employment hereunder.

(2) Available Vacancies: The job vacancies for which Employees shall be eligible under these provisions shall be only those that are not filled from the particular Plant in accordance with the provisions of this
Article.

(3) **Employee Request**: An Employee shall be given priority in accordance with the foregoing provisions only if he files with the Management of the Plant from which he is laid off a written request for such employment specifying the other Plant or Plants at which he would accept employment. Such application shall be on a form provided by the Company.

(4) **Qualifications and Priority**: Employees who thus apply may thereafter be given priority in the filling of job vacancies (other than temporary vacancies) over new hires, and after they have been continuously on layoff for 60 days, or three months in the case of a second assignment, and have had an application on file for 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 that first preference be given to Employees meeting the eligibility requirements of Section 18(a)(1) and that all Employees entitled to this priority shall have the necessary qualifications 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 into consideration. 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.

(5) **Transferred Employee Status**: 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, except that his Company continuous service shall be used to determine when his recall rights to that Plant shall expire, should he subsequently be laid off. Otherwise, he will be considered as a new Employee at that Plant for all purposes except that the provisions of Section 6 of this Article will not be applicable, and his Plant continuous service for determining his seniority for purposes of Section 1 of this Article (but not for purposes of applying Article X, Section 10(b) and (c)) at that Plant shall be no less than his continuous employment at that Plant plus 60 days. For purposes of applying Article X, Section 10(b) and (c), his plant continuous 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 paragraph, 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 six months of his employment at that Plant (or during a period of layoff in the first year of such employment) he may elect to terminate such employment without affecting his continuous service at his home Plant provided he gives reasonable notice to Management and provided further that such an election will affect his right to further consideration under this Section 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 subparagraph (7) below, or when he is employed at any other Plant of the Company. If his home Plant is closed permanently, either prior or subsequent to his assignment to another Plant, his continuous service at his home Plant will be canceled 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 subsequent to his assignment to the new Plant and the Employee has less than two years of continuous service for layoff purposes at that Plant and meets the eligibility requirements for severance allowance, he may elect within 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.

(6) Job Rejection by Employee: If an Employee rejects a job offered to him under these provisions, or if he does not respond within 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 subparagraph (3) above, his name shall be removed from those eligible for priority hereunder, and he may thereafter apply, pursuant to subparagraph (3) above, 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.

(7) Effect on Home Plant Seniority: 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:
(i) *Return Option:* 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, 6 months;
- If recalled to a job Class 11 through 18 job at his home Plant, 1 year;
- If recalled to a job Class 19 or above job at his home Plant, 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 canceled 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 canceled.

(ii) *Management Return:* 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 canceled.

(iii) *Employee Elects to Stay:* 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 canceled.

(8) *Retention of Employee-Company Convenience:* 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.

(b) **Relocation Allowance**: An Employee who is assigned a job under these provisions 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. **Written Request**: He must make written request for such allowance in accordance with the procedure established by the Company.

2. **Amount of Relocation Allowance**: 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>$200</td>
<td>$600</td>
</tr>
<tr>
<td>100—299</td>
<td>250</td>
<td>650</td>
</tr>
<tr>
<td>300—499</td>
<td>300</td>
<td>750</td>
</tr>
<tr>
<td>500—999</td>
<td>350</td>
<td>950</td>
</tr>
<tr>
<td>1,000—1,999</td>
<td>450</td>
<td>1,200</td>
</tr>
<tr>
<td>2,000 or more</td>
<td>550</td>
<td>1,450</td>
</tr>
</tbody>
</table>

3. **Causes for Adjustment of Allowance**: 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 payments, 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. **One Allowance Per Family Residence**: Only one relocation allowance will be paid to the members of a family living in the same residence.

(c) **Administration of IJOP Procedures**:

1. **Committee Review**: The operation of this Section 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 Section 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 Sub-section which is requested by the committee, including reasonably available information on the timing of such applications and placement. The committee shall review the day-to-day administration of this Sub-section with a view toward increasing Employee awareness of job opportunities. The committee shall study the operation of this Sub-section to recommend to the Company and Union Bargaining Co-Chairmen whether changes in this Sub-section would improve the utilization of the IJOP system for enhancement of employment opportunities and discourage misuse of the system for other purposes.

(2) **Grievances**: The following procedure shall apply only to complaints or grievances relating to the application of this Section.

(i) **Preliminary Discussion**: Any Employee who believes he has a justifiable complaint shall refer the matter to the Union representative designated in subparagraph (ii) below, who, in turn, will promptly arrange to discuss the complaint with the Company designated representative. If they cannot agree, a grievance may be filed by such Union representative at Step No. 3 of the grievance procedure and handled in accordance with the provisions of Article XI of this Agreement.

(ii) **Procedures**: A complaint or grievance under this program shall be handled as follows:

   (a) **Job Referral**: Between a designated staff representative of the Union and the designated representative of the Company if the dispute is over referral for a job;

   (b) **Hiring Plant–Local Parties**: Between a Grievance Committeeman of the Local Union and the Management at the hiring Plant if the dispute is over the Employee's acceptance or assignment to a job at the Plant;

   (c) **Regular Procedures**: By the regular complaint and grievance procedure applicable at the hiring Plant if the Employee accepts an offered assignment and subsequently wishes to initiate a complaint or file a grievance which has its origin at the Plant to which assigned.

   (d) **Back Pay and Amendment Proviso**: in order to facilitate the operation of the program provided for in this Section, it is agreed that (i) back pay shall not be awarded in any complaint or
grievance based on this Section, unless the impartial umpire finds that there has been willful and deliberate non-compliance therewith, and (ii) the Company and the International Union may, upon recommendation of the committee provided for in paragraph (c) above, amend this Section at any time during the period of this Agreement and such amendment shall be effective with respect to any pending complaint or grievance.

(e) **Retroactive Pay Liability**: The Company will not be liable for any retroactive pay under this Section 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.

(f) **Suspension of Provisions**: By agreement between the Company and the International Union, the provisions of this Section 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.

### Section 19. Retroactive Pay Computation

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 2(d) of Article XII.

### ARTICLE XI — ADJUSTMENT OF COMPLAINTS AND GRIEVANCES

#### Section 1. Purpose

(a) Should any differences arise between the Company and the Union as to the meaning and application of the provisions of this Agreement or as to any question relating to the wages, hours of work and other conditions of employment of any Employee, there shall not be any suspension of work on account of such differences, but an earnest effort shall be made to settle them promptly and in accordance with the provisions of this Agreement in the manner hereinafter set forth.
Definitions: When used herein, the following terms have the meanings indicated:

1. The term "complaint," as used in Sections 1 and 2 of this Article, shall be interpreted to mean a request or complaint.

2. The term "superintendent" shall mean the department superintendent or his designated representative from his office if the department superintendent is unavailable.

3. The term "Grievance Committeeman" shall mean the Grievance Committeeman or his designated representative if the Grievance Committeeman is unavailable.

(c) Failure to Appeal: If the decision of the Company representative in any Step of the complaint and grievance procedure with respect to a complaint or grievance shall not be appealed to the next Step within the time specified for such appeal, such complaint or grievance shall be considered settled on the basis of the decision made by the Company representative, and the Employee or Employees covered by such complaint or grievance shall not have any further right or remedy with respect to any claim or matter covered by such complaint or grievance.

(d) Presenting the Complaint: Except as otherwise expressly provided in this Agreement, any complaint to be considered in the complaint and grievance procedure shall be discussed with the foreman within 30 calendar days after the date on which the facts or events upon which the complaint is based shall have existed or reasonably should have become known to the Employee or Employees affected thereby; provided, however, that any request for any change in any of the terms or provisions of this Agreement shall not be handled in this procedure for adjustment of complaints and grievances.

(e) Modification at Plant Level: The procedural steps for the settlement of complaints or grievances hereinafter in this Article set forth shall constitute a general standard which may be modified at any Plant by agreement between the Management and the Union, if, in the interest of prompt and orderly settlement of complaints or grievances, it shall be deemed advisable that such procedural steps be so modified. After the effective date of this Agreement, the Management and Union at the Plant shall review the grievance procedure, including the possible combining of any plant level steps in the grievance procedure, (including Step No. 4) in order to enhance the prompt and orderly settlement of complaints or grievances. Any modification agreed to by the local parties shall be effective upon written approval of the International President (or his designee) and the Manager of Union Relations.

Section 2. Procedure

STEP NO. 1 — ORAL
Discussion with Foreman: If an Employee believes that he has a justifiable complaint, he may discuss such complaint with his foreman, with or without an Assistant Grievance Committeeman employed in the designated area being present, as he may elect, in an attempt to settle the matter. Any such Employee may, however, if he so desires, report the matter directly to such Assistant Grievance Committeeman and in such event such Assistant Grievance Committeeman, if he believes the complaint merits discussion, shall take it up with the Employee's foreman in a sincere effort to resolve the problem. The Employee involved shall be present in such discussion.

Additional Representatives: If the parties, after full discussion, feel the need for aid in arriving at a solution, they may by agreement invite such additional Management or Union representatives or witnesses from the Plant as may be necessary and available to participate in further discussion, but such additional representatives shall not relieve the local participants from responsibility to arrive at a solution of the complaint.

Authority of Parties: The foreman shall have the authority to settle the complaint. The Assistant Grievance Committeeman shall have the authority to settle, withdraw or appeal the complaint.

Discussion and Response: The foreman shall at the end of the final Step No. 1 meeting give his response to the complaint. Only if additional information or facts are necessary may the response be delayed, but not for more than 3 days (excluding Saturdays, Sundays and holidays) after the final meeting. If the complaint is not settled in the foregoing procedure, an Appeal Form shall be prepared by the foreman. Upon request, two copies of the Appeal Form shall be furnished to the Assistant Grievance Committeeman from the designated area and it shall be signed by the affected Employee or Employees. The Appeal Form must contain the following information:

Appeal Form

Name ________________________________________________________________
BadgeNo. ___________________________ ________________________________
Department ___________________________ ______________________________

Type of complaint ____________________________________________________

Date of initial complaint with foreman ________________________________
Date of foreman's oral response ________________________________
Date settled ________________________________________________________
Date withdrawn ______________________________________________________
Date appealed to Step No. 2 ______________________________________________
Foreman's signature __________________________________________________
Purpose, Withdrawal: The foregoing procedure of direct communication and discussion should result in a full disclosure of facts and should lead to a fair and speedy solution of most of the complaints arising out of the day-to-day operations of the Plant. The settlement of a complaint in Step No. 1 shall be Without prejudice to the position of either party. If the complaint concerns only the rights of the individual or individuals involved, and its settlement will have no adverse effect on the rights of other Employees, the individual or individuals involved may withdraw the complaint.

Appeal to Step No. 2: If the complaint is not settled in Step No. 1 and the Assistant Grievance Committeeeman from the designated area determines that it constitutes a meritorious complaint, he may appeal it to Step No. 2 by making the appropriate notation on the Appeal Form and furnishing the superintendent with a copy of such Appeal Form. Unless such complaint shall be appealed to such superintendent within 7 calendar days (excluding Saturdays, Sundays and holidays) after receipt of the Appeal Form by the Assistant Grievance Committeeeman from the designated area from such foreman, such complaint shall be deemed to have been settled in accordance with the Step No. 1 disposition.

STEP NO. 2—ORAL

Discussions and Processing: If such complaint shall be so appealed it shall be discussed in an effort to settle it between a Grievance Committeeeman and the superintendent. The Grievance Committeeeman and the superintendent shall be responsible for conducting a Step No. 2 discussion. Other Step No. 2 participants shall include the Employee and the foreman involved and such other witnesses whom they may, by agreement, invite. Such additional participants shall not relieve the superintendent and the Grievance Committeeeman from responsibility to arrive at a solution of the complaint. The discussion shall be held and such superintendent shall dispose of such complaint within not more than 7 calendar days (excluding Saturdays, Sundays and holidays) after the date on which such complaint shall have been so appealed to such superintendent.

Authority of Parties: The superintendent shall have authority to settle the complaint. The Grievance Committeeeman shall have the authority to settle, withdraw or appeal the complaint.
If the complaint is settled in Step No. 2, a written notification of the disposition of such complaint shall be made on the Appeal Form. The resolution of a complaint in Step No. 2 shall be without prejudice to the position of either party.

11.02.13

**Grievance Record and Appeal:** If the complaint is not resolved in Step No. 2, the oral disposition and the date thereof shall be noted on the Appeal Form, two copies of which shall be furnished to the Grievance Committee on the date of such oral disposition. The Grievance Committee may file with the superintendent within 2 calendar days (excluding Saturdays, Sundays and holidays of receipt of the Appeal Form, a written statement of the grievance. The Grievance Committee and the superintendent shall within 10 calendar days (excluding Saturdays, Sundays and holidays) of the receipt by the superintendent of the written statement of the grievance jointly develop a written grievance record (hereinafter referred to as the grievance record).

The grievance record shall contain a statement of the grievance (prepared by the Grievance Committee), all agreed-to facts, all facts disputed by either party, contractual reliance, the remedy sought, and the response and reason for the position of the superintendent. If such grievance is not settled through the development of the grievance record, the Grievance Committee may within 5 calendar days (excluding Saturdays, Sundays and holidays) of receipt of the grievance record appeal the grievance and grievance record to Step No. 3 of the procedure.

11.02.14

**Complaints Occurring Under More Than One Foreman:** Complaints which allege violations directly affecting only the Employees working under a particular department superintendent but under more than one foreman shall be initiated in Step No. 2 and be processed in accordance with the foregoing Step No. 2 procedure.

11.02.15

**STEP NO. 3—WRITTEN**

**Discussions:** A grievance which shall not be settled by the procedure prescribed in the foregoing Step No. 2 shall be discussed promptly at a mutually satisfactory time between the Superintendent of Labor Relations and the Grievance Committee and a Local Union representative as the Committee may select. At any meeting with the Grievance Committee the Superintendent of Labor Relations may be accompanied by such other representatives of the Management as he shall select.

11.02.16

**Time of Discussions and Appeal:** Unless otherwise agreed, such grievance shall be discussed at a Step No. 3 meeting which shall be held not later than 20 calendar days (excluding Saturdays, Sundays and holidays) after such grievance shall have been presented to the Superintendent of Labor Relations. If the Superintendent of Labor Relations shall fail to provide an opportunity for discussion of such grievance within such 20 calendar days (excluding Saturdays, Sundays and holidays) such grievance may be appealed to Step No. 4, unless an extension of time shall have been mutually
agreed upon.

**Incomplete Grievance Record:** No grievance appealed from Step No. 2 shall be considered in Step No. 3 in the absence of a full grievance record, unless the facts are not available to the Step No. 2 participants. If additional facts are needed the grievance shall be referred back for further consideration or discussion in the appropriate prior step. The time limits as set forth in Step No. 2 will apply.

In the case of grievances filed directly in Step No. 3, either party may call witnesses whose attendance shall be limited to time required for their testimony; provided, however, if the grievant is called to testify he shall be permitted to remain in the Step No. 3 meeting until the discussion of his grievance is completed.

**Authority of Parties:** The Superintendent of Labor Relations shall have the authority to settle any grievance before him. The Grievance Committee shall have the authority to settle or withdraw any grievance.

**Minutes of Meeting:** Minutes of each meeting under this Step No. 3 shall be prepared by the Superintendent of Labor Relations and shall be signed by the chairman or secretary of the Grievance Committee and the Superintendent of Labor Relations not later than 15 calendar days after the date on which such meeting shall have been held. If the chairman or the secretary of the Grievance Committee disagree with the accuracy of the minutes as prepared by the Superintendent of Labor Relations, he shall set forth and sign his reasons for such disagreement and the minutes, except for such disagreement, shall be regarded as agreed to. Such minutes shall be typewritten and shall conform substantially to the following outline:

(a) Date and place of meeting.

(b) Names and positions of those present.

(c) Identifying number and description of each grievance discussed.

(d) Brief statement of the facts and the Union's position with regard to each grievance.

(e) Brief statement of the facts and the Company's position with regard to each grievance.

(f) Action taken at such meeting with regard to each grievance.

(g) Statement as to whether or not the Union concurred in such action and of any exceptions taken by the Union thereto.

The Step No. 3 minutes need not duplicate the information contained in the grievance record developed in Step No. 2 and the Step No. 3 minutes shall be added
to and form a part of the grievance record. It is the intent of the parties that the Step No. 3 minutes and the grievance record shall accurately reflect the information listed in (a) through (g).

**Appeal and Settlement:** If an appeal from the action taken with regard to any grievance in accordance with the procedure under this Step No. 3 as shown in the grievance record of the meeting at which such action shall have been taken shall not be made within 30 calendar days after the date of such meeting or within 20 calendar days after a draft of the minutes of such meeting shall first have been received by a representative of the Union, whichever of those periods shall last expire, such grievance shall be deemed to have been settled in accordance with such action and no appeal therefrom shall thereafter be taken. In exceptional cases, however, where the Union can satisfactorily demonstrate that the failure of the Union representative charged with the responsibility for such appeal was caused by conditions justifiable under the circumstances and does, in fact, appeal within 10 days from the date of the default, the appeal shall be accepted as though it had been timely. The Company's liability for any retroactive payments resulting from the application of the preceding sentence shall exclude the period of the delay in the appeal.

**Multi-Department Grievances:** Grievances which allege violations directly affecting Employees working under more than one department superintendent shall be initiated in Step No. 3 and, if discussion fails to settle a grievance, the Step No. 3 representatives shall develop the grievance record and it shall be processed in accordance with the foregoing Step No. 3 procedure.

**STEP NO. 4—WRITTEN**

**Step No. 4 Representation:** Any complaint or grievance which shall not be settled by the procedure prescribed in the foregoing Steps Nos. 1, 2 and 3 shall be discussed in an attempt to reach a mutually satisfactory settlement thereof between two representatives of the International Union who shall be certified to the Company in writing as the representatives selected by the Union for the purpose and two representatives of the Company who shall be similarly certified by the Company to the Union and may also include a Plant representative of the Union and a Company Plant representative. Notice of the intention of either party to take up a grievance under this Step No. 4 shall be given to the other party in writing within 30 calendar days after the date of the meeting under Step No. 3 at which action with regard to such grievance shall have been taken or within 20 calendar days after a draft of the minutes of such meeting shall first have been received by a representative of the Union, whichever of those periods shall last expire.

A grievance shall not be processed in this step until a full grievance record has been developed. In the event that a complete record has not been developed, the grievance shall be referred back for further consideration in Step No. 2 or Step No. 3 of the procedure.
Notice of appeal: In order for a grievance to be considered in Step No. 4, the notice appealing it shall be in writing signed by a certified representative of the International Union assigned to the Plant and given to the Management's Step No. 4 representative.

Time and Place: Meetings which shall be required under this Step No. 4 shall be held at a mutually agreed to time and location at or near the operation within 60 calendar days after receipt of the appeal to Step No. 4 in accordance with the preceding paragraph and the number of such meetings and any other procedure which may aid in the effort to reach a satisfactory settlement of any grievance shall be agreed upon between the certified representatives of the Company and the certified representatives of the Union.

Step No. 4 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 meeting shall take place at a prompt later date. A copy of the written postponement request shall be included with the quarterly report provided for in Appendix 14.

Authority of Parties: The certified Company representatives shall have the authority to settle the grievance. The certified representatives of the International Union shall have the authority to settle, withdraw or appeal the grievance to arbitration.

Minutes of Meeting: Minutes of each meeting shall be a concise summary of the Company's contractual analysis of the grievances discussed under this Step No. 4 and shall be prepared by the certified representative of the Company (and when appropriate shall reflect changes in the position of the Union) and shall be signed by him and the representative of the Union within 30 calendar days after such meeting shall be held. If the representative of the Union desires to supplement its position with additional facts he shall prepare such addition in typewritten form, sign and present such document to the Company representative within thirty (30) days of receipt of the Company's minutes.

Time Limits on Appeal: If an appeal from the action taken with regard to any grievance in accordance with the procedure under this Step No. 4 as shown in the minutes of the meeting at which such action shall have been taken shall not be made within 30 calendar days after the date of the meeting or within 20 calendar days after a draft of the minutes of such meeting shall first have been received by a certified representative of the Union, whichever of these periods shall last expire, such grievance shall be deemed to have been settled in accordance with such action and no appeal therefrom shall thereafter be taken.

Invocation of Time Limits: The Company shall not have the right to invoke the time limits under this Agreement to disallow a grievance unless the Union representative responsible for appealing the grievance to
the next step is first notified in writing (on a mutually agreed to form) of the Company’s intention to invoke the time limits. The Union representative shall sign and date the form. The Union representative shall have the additional time (described below) after the expiration of the time limits to appeal such grievance(s).

In the event the Company fails to hold the meeting or develop the grievance record or prepare the minutes for any complaint or grievance by the end of the time limits specified for Step No. 2, Step No. 3, or Step No. 4 of the grievance procedure, such grievance shall be considered settled in favor of the Union with an appropriate remedy. The Union shall not invoke the time limits under this Agreement unless the appropriate Company representative is notified in writing (on a mutually agreed to form) of the Union’s intent to invoke the time limits. The Company representative shall sign and date the form. The Company representative shall have the additional time (described below) after the expiration of the time limits to correct such failure without incurring the penalty.

Any complaint that is not processed by the Company within the time limits specified in Step No. 1 will be considered as automatically appealed to Step No. 2.

The additional time period, after notification, for either party to correct its failure to process the complaint or grievance shall be six calendar days (excluding Saturdays, Sundays and holidays). In exceptional cases, involving, for example, a large number of complaints or grievances a reasonable extension of time beyond the six calendar 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 and agreement to such extensions of time shall not be arbitrarily withheld by either party.

Any dispute resulting from the application of this penalty procedure shall be processed solely through the complaint and grievance procedure under Article XI. Any problems in administering or abuse of this new procedure shall be promptly investigated by Company and International Union representatives and appropriate steps shall be taken to remedy such problems or abuse.

**Section 3. Union Complaint and Grievance Procedure**

(a) *Plant Grievance Committee:* There shall be one Grievance Committee at each Plant, which shall consist of such number of Employees as shall be mutually agreed upon between the Superintendent of Labor Relations and the Union, but the number thereof shall not in any case be less than 3 nor more than 10.

(b) In each Local Union at the Plant the number of Assistant Grievance Committeemen shall be not more than one per 60 Employees.

(c) *Time Off For Assistant Grievance Committeeman:* If any Assistant
Grievance Committeeman of the Union shall so request of his foreman, he shall be granted such time off without pay as he may reasonably require for the purpose of investigating the facts with regard to and of endeavoring to settle any complaint in Step No. 1 or Step No. 2 in his department and for the purpose of attending Step No. 2 discussions concerning complaints which he has processed in Step No. 1.

(d) **Discipline-Right to Representation:** Any Employee who is summoned to meet in an enclosed office with a supervisor for the purpose of discussing possible disciplinary action shall be entitled to be accompanied by the Assistant Grievance Committeeman designated for the area if he requests such representation, provided such representative is available during the shift.

(e) **Time Off For Grievance Committeeman:** If any member of the Grievance Committee shall so request of his foreman, he shall be granted such time off without pay as he may reasonably require for the purpose of investigating and of endeavoring to settle any complaint in Step No. 2 or grievance in Step No. 3 with which he shall be concerned and, by request to the Superintendent of Labor Relations, he shall be permitted to visit any department other than his own, when a visit there is necessary for such purposes. (Modified, in part, by Section 12(c) and (d)).

(f) **Union Plant Visits:** If a representative of the Union who shall have been certified to the Company in writing as the Union's representative for the purpose of handling grievances in Step No. 4 from a particular Plant shall so request of the Superintendent of Labor Relations, he shall be permitted to visit such Plant for the purpose of investigating any grievance which shall have been appealed therefrom to Step No. 4, subject to such regulations as shall be established by the Superintendent of Labor Relations.

(g) **Group Complaints:** In the case of a complaint involving a large group of Employees, a representative number may participate in the oral discussion in Step No. 1 and Step No. 2 of the procedure.

**Section 4. Employee Discipline Records**

(a) **Time Limits on Use:** 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 5 or more years prior to the date of the event which is the subject of such arbitration.

(b) **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.

*Modified, in part, by Section 12(d).*
Section 5. Company Obligations to Union

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

Section 6. Initiating Complaints or Filing Grievances

Referral to Proper Step: Complaints or grievances which are not presented initially 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 Union representatives designated to handle complaints or grievances in such Step.

Section 7. Grievance Under Prior Agreement

Applicable Contract: Any complaint or grievance which was presented under a prior agreement between the Company and the Union and which is still pending and not finally disposed of by August 1, 1999, shall be determined in accordance with the applicable provisions of such prior agreement which were in effect at the time when such grievance arose.

Section 8. Grievance Procedure-Proper Functioning

Committee for Review: If at any time during the term of this Agreement it is agreed by the International Union and the Company that the complaint and grievance procedure at a Plant is functioning in such a manner as to be unsatisfactory in giving prompt attention to complaints and grievances or that a problem requiring special attention has developed in the functioning of the arbitration procedure, a committee shall be established consisting of an agreed-upon number of persons from each party for the purpose of reviewing the functioning of the complaint and grievance procedure in question or the arbitration procedure problem. The committee so established shall be authorized to make such recommendations as it deems proper with respect to the matter to the Chairman of the Bethlehem Union Negotiating Committee and the Manager of Union Relations. Such committee shall be discontinued after it has completed its review and report.

Section 9. Exception to Normal Filing Procedure

(a) Chairman of Grievance Committee Authority: The Chairman of the Union's Plant Grievance Committee may file grievances in writing directly into Step No. 3, if he believes this to be necessary, concerning alleged violations of the provisions of this Agreement in conformity with the provisions of Article XI except that the
signature of affected Employees shall not be required. It is the intent of the parties that this section should not be a substitute for the normal procedure for handling complaints and grievances.

(b) Special Grievance Procedure Review: If the percentage of grievances filed directly into Step No. 3 during a calendar year exceeds 20% of all grievances filed and appealed to Step No. 3, excluding those grievances which allege violations directly affecting Employees working under more than one department superintendent, discharge grievances, SUB and Insurance grievances and Article X, Section 2 (a)(3) grievances, a review shall be conducted as set forth in Section 9.

Section 10. Expedited Arbitration Procedure

Notwithstanding any other provision of this Article, 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 14 of this Agreement.

(a) The Expedited Arbitration Procedure shall be implemented in light of the circumstances existing in each plant, with due regard to the following:

1) The local union and the local management may appeal the grievance to an arbitrator under this Expedited Arbitration Procedure by mutual agreement of the parties in Step No. 3.

2) The appeal shall be made within 10 calendar days of receipt of the minutes of the Third Step grievance meeting preceding such arbitration.

3) All grievances appealed to Step No. 4 of the grievance procedure shall be reviewed by the parties' respective 4th Step Representatives, who may jointly determine that such grievance does not warrant disposition in the 4th Step but is rather appropriate for Expedited Arbitration and therefore agree to refer such grievance back to the 3rd Step parties for processing in the expedited procedure.

4) As soon as it is determined that a grievance is to be processed under this procedure, the local parties shall notify the Administrative Secretary of the area panel. The appeal shall include the date, time and place for the hearing. Thereafter the Rules of Procedure for Expedited Arbitration shall apply.

(b)

1) The hearing shall be informal.

2) No briefs shall be filed or transcripts made.
(3) There shall be no formal evidence rules.

(4) Each party's case shall be presented by a previously designated local representative.

(5) The arbitrator shall have the obligation of assuring that all necessary facts and considerations are brought before him by the representative; of the parties. In all respects, he shall assure that the hearing is a fair one.

(6) If the arbitrator or the parties conclude at the hearing that the issues involved are of such complexity or significance as to require further consideration by the parties, the case shall be referred to the staff representative of the Union and his Company counterpart and it shall be processed as though appealed on such date.

(c) 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 Section 3(d) of this Article.

(d) Any grievance appealed to this Expedited Arbitration Procedure must be confined to issues which do not involve novel problems and which have limited contractual significance or complexity.

**Section 11. Miscellaneous Matters**

(a)

(1) All grievances involving discipline, except those including discharge or discipline for concerted activity, will be processed under the Expedited Arbitration Procedure.

(2) Unless otherwise mutually agreed by the parties, all grievances will be processed under the Expedited Arbitration Procedure, including those specified in paragraph (a) above, and 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, Appendix 38 matters, discrimination matters and the benefits agreements. However, cases of a minor and routine nature involving issues included in the above listed exceptions may be processed under the Expedited Arbitration Procedure by mutual agreement of the Step 3 representatives.

In the event of a dispute regarding the arbitrability under this procedure of a matter not specifically covered by this Section, the Company and International Union
(b) Unless otherwise mutually agreed, in the event an Arbitration Award or a complaint or grievance settlement requiring monetary payment is not paid within 30 days after the identity of the payee(s) and the specific amount owed each payee has been determined or could have been determined with reasonable diligence, the affected payee(s) will be paid interest at the current annual passbook savings account rate of the bank on which the check is drawn until the payments have been made. This provision will be applicable to Arbitration Awards issued or complaint or grievance settlements concluded after July 1, 1986. Any dispute resulting from the application of this provision shall be processed solely through the complaint and grievance procedure under Article XI.

(c) The Company will pay up to twelve (12) hours lost time per week to each Grievance Committeeman for attendance at scheduled Third Step meetings and fact development of the grievance record with appropriate labor relations personnel. The current procedures with respect to attendance and scheduling for such Third Step meetings shall not be affected by this provision.

(d) The grievant and/or the Grievance Committeeman (or Assistant Grievance Committeeman for First Step discussions only) will not be docked for time spent in presenting and discussing First or Second Step Complaints or Grievances with the appropriate Management representative, if such meeting is held so as to require time off the job. The current procedures with respect to scheduling such discussions shall not be affected by this Agreement.

(e) No Employee shall be required by the Company to submit to a lie detector test. The results of lie detector tests will not be used by the Company or the Union in the grievance procedure or arbitration.

(f) The Union will cite the contractual reliance (Article and Section) on the Grievance Record. The citing of the contractual articles and sections shall not prohibit the Union from modifying or changing the contractual citation in any step of the grievance procedure prior to arbitration.

(g) Grievances remanded from one step to another shall be in written form listing such cases and the reason for remanding such grievances.

(h) The parties agree that after the effective date of this Agreement the Grievance Committee and Superintendent of Labor Relations shall meet and consider whether there should be any change in the number of Grievance Committeemen or Assistant Grievance Committeemen at the operation.
ARTICLE XII—DISCHARGE OF EMPLOYEES

Section 1. Procedure

Notice of Intention to Discharge: Before discharging any Employee the Management shall give him written notice of its intention to discharge him. A copy of such notice shall be furnished to the designated representative of his Local Union as soon as practicable. The Management may suspend such Employee pending a final determination of his case as hereinafter provided. Such Employee may within 5 days after receiving such notice file with the Superintendent of Labor Relations a request in writing for a hearing as hereinafter provided. In the absence of such request, the Management may at any time after the expiration of such 5 days discharge the employee. If the employee affected does not choose to request a hearing but believes he has been unjustly dealt with, he may within 5 calendar days after receiving such discharge notice file a grievance directly into Step No. 3 of the grievance procedure.

Section 2. Hearing Request

(a) Notice of Hearing, Time and Contents: If such Employee shall, within 5 days after receiving such notice, file with such Superintendent of Labor Relations a request in writing for a hearing on the question as to whether or not he should be discharged, he shall within 5 days after the receipt of such notice by such Superintendent of Labor Relations be furnished with a written statement of the reasons why the Management shall intend to discharge him and of the time and place at which such hearing will be held, which time shall be not less than 5 days nor more than 10 days after the date on which such statement shall be so furnished to him.

(b) Discharge Hearing: Such hearing shall be held before an official of the Company who shall be designated by it for the purpose, and at such hearing such Employee may be represented by one or more members of the Grievance Committee and shall be given a reasonable opportunity to present evidence on his behalf.
(c)  **Notification of Results and Filing of Grievance:** Within 10 days after the conclusion of such hearing the Management shall notify such Employee in writing of its decision as to the action which it shall take in his case, which action may include the discharge of such Employee or such other action as it shall deem proper. If such Employee shall be aggrieved by such decision, he may within 10 days after receiving written notice of such decision present his grievance in respect thereof to the Superintendent of Labor Relations and such grievance shall be handled in accordance with the procedure set forth in Article XI of this Agreement beginning with Step No. 3. If he shall not so present such grievance within such 10 days, he shall not be entitled to assert any claim or grievance against the Company in respect of any such action.

(d)  **Discharge Without just Cause:** If such grievance shall be submitted to an impartial umpire as provided in Article XI of this Agreement, it shall be heard and a decision rendered within 60 days of the appeal. Such grievances shall be identified by the Union as discharge grievances in the appeal to the impartial umpire. If such impartial umpire shall determine that such Employee was discharged or suspended, as the case may be, without just cause, and that such Employee is entitled to compensation for time lost by him by reason thereof, such umpire shall 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 other amounts as he would not have received except for such suspension or discharge; provided, however, that no deduction from back pay awards or settlements under this Section shall be made for governmental assistance (excluding unemployment compensation and any similar payments), welfare, Trade Readjustment Allowance benefits or private charity received by such Employee or for earnings received by an Employee from employment outside the Company during a period of suspension or discharge which is subject to either this Section or Section 3. For calculations made in accordance with Article X, Section 19, Trade Readjustment Allowance benefits will be deducted.

In suspension and discharge cases only, the impartial umpire may, where circumstances warrant, modify or eliminate the offset of such other amounts as would not have been received except for such suspension or discharge.

**Section 3. Exception to Discharge Procedure**

*Laid-Off or Suspended Employees:* The foregoing provisions of this Article shall not apply to a case in which an Employee shall be suspended or laid off for any reason (other than a suspension as herein
before provided pending a determination as to whether or not he shall be discharged), but any grievance relating to any such case shall be handled in accordance with the procedure set forth in Article XI of this Agreement.

**Section 4. Union Investigation**

*Time Off For Grievance Committeeman in Discharge Cases:* Any member of the Grievance Committee who shall have been designated by an Employee to represent him at any hearing which shall be held in accordance with the foregoing provisions of this Article shall, if such member shall so request of his foreman, be granted such time off without pay as he shall reasonably require in order to investigate the facts with regard to the subject matter of such hearing and to attend such hearing.

**ARTICLE XIII—MANAGEMENT FUNCTIONS**

The management of the Plants and the direction of the working forces and the operations at the Plants, including the hiring, promoting and retiring of Employees, the suspending, discharging or otherwise disciplining of Employees for just cause, the laying off and calling to work of Employees in connection with any reduction or increase in the working forces, the scheduling of work and the control and regulation of the use of all equipment and other property of the Company, are the exclusive functions of the Management; provided, however, that in the exercise of such functions the Management shall observe the provisions of this Agreement and shall not discriminate against any Employee or applicant for employment because of his membership in or lawful activity on behalf of the Union.

**ARTICLE XIV—SAFETY AND HEALTH**

*Section 1. Company Obligations*
Safe and Healthful Conditions: The Company and the Union will cooperate in the continuing objective of eliminating accidents and environmental health hazards. The Company will make every reasonable effort to provide safe and healthful conditions of work for Employees at the Plants. The Company, the Union and the Employees recognize their obligations under existing Federal and State laws with respect to safety and health matters. The Company will provide Employees with any necessary protective equipment in accordance with the practices prevailing at the respective Plants at the date of this Agreement. Goggles, hard hats, hearing protectors, face shields, respirators, special-purpose gloves, flameproof, fire-retardant, water-resistant or acid resistant protective clothing, when necessary and required, shall be provided to the Employees without cost, except that the Company may charge an Employee a reasonable amount for any loss or willful destruction of any of the foregoing by such Employee. In so far as reasonably practicable, considering the nature and requirements of the respective operations, suitable heating and ventilating systems shall be provided and maintained in good working condition. At Plants where devices which emit ionizing radiation are used, the Company will continue to maintain safety standards with respect to such devices not less rigid than those adopted from time to time by the Nuclear Regulatory Commission and will maintain procedures designed to safeguard Employees and will instruct them as to safe working procedures involving such devices. Upon the request of the Union Co-Chairman of the 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 work place, 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. When the Company uses toxic substances which endanger the health and safety of Employees, it shall inform the affected Employees what hazards are involved and what measures are taken to protect the Employees. Upon the written request of the International Union Health, Safety and Environment Department, the Company will furnish additional information in its possession which is relevant and material to an understanding of potential significant occupational safety or health hazards which are alleged to exist. Where such information constitutes a legitimate trade secret, the Company may require the International Union to sign an agreement to use the information only for the purpose of hazard evaluation and control and to take reasonable precautions to assure its confidentiality. This provision does not create an obligation to release personal medical information without the written consent of the affected Employee. The Company will continue its program of periodic in-plant air sampling and noise testing under the direction of qualified personnel. When the Union Co-Chairman of the Plant Safety and Health Committee alleges a significant on-the-job health hazard due to in-plant air pollution, such as in confined spaces, or noise, the Company will also make such additional tests and investigations as are necessary and shall notify the Union Co-
Chairman of the Committee when such a test is to take place. Upon request, the Union Co-Chairman or his designated representative from that Committee may be present when such requested testing takes place. A report based on such additional tests and investigations shall be reviewed and discussed with the Plant 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.

**Section 2. Joint Safety and Health Committees**

(a) *Plant Safety and Health Committees:* The Union will cooperate with the Company in encouraging Employees to observe the safety regulations which shall be prescribed by the Company and to work in a safe manner. To that end, a Plant Safety and Health Committee shall be established at each Plant to be composed of not less than 3 nor more than 10 Employees designated by the Union at that Plant and an equal number of Management members if Management so desires. By mutual agreement the number of members of the Committee may be increased. The Employees who shall be nominated by the Union to be representatives on such Committee at any Plant shall be Employees who have knowledge of the practices at the Plant and who shall have worked there a minimum of one year. 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 a copy of the minutes of the monthly meeting. Prior to such monthly meeting, the Co-Chairmen or their designated representatives shall engage in an inspection of mutually selected areas of the Plant. Before the monthly meeting is held, a report of the inspection shall be prepared by the Company setting forth the findings of the Committee. A copy of the report shall be furnished to the Union, Co-Chairman. The time consumed on Committee work by the Union Committee members shall not be considered hours worked to be compensated by the Company. The Committee shall assist, make recommendations to and cooperate with Plant Management concerning legitimate safety and health matters, but it shall not handle complaints or grievances. To this end, the Committee shall consider existing practices and rules relating to safety and health, encourage cooperation with safe job procedures and safety rules and review accident statistics, including OSHA Form 200, and trends and disabling injuries which have occurred in the Plant and make appropriate recommendations. The Company will furnish the Union Co-Chairman of the Committee with copies of all Federal and State compliance inspection reports concerning safety and health conditions at the Plant.

*Periodic Training for Joint Safety and Health Committee:* The Company shall provide periodic training for the members of the joint Safety and Health Committee relative to the various functions of the Committee and other appropriate specialized
(b) **Time Off for Union Co-Chairman:** The Union Co-Chairman or his designated representative will be afforded time off without pay (except as specified hereafter) 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 Superintendent of Labor Relations or his designated representative, and if the Union Co-Chairman or his designated representative 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 designated representative 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 Superintendent of Labor Relations or his designated representative. Regarding time off for the Union Co-Chairman of certain Plant-wide safety and health committees, during the term of this Agreement, the Union Co-Chairman of the Plant Safety and Health Committee or his designated representative at the Burns Harbor Plant shall receive pay for the duties described and set forth in this Section 2(b); provided, however, that such pay shall be calculated at the applicable average earnings and the number of hours paid for shall not exceed a combined total of 32 hours per Committee in a calendar month. Recognizing that there are two distinct Plant Safety and Health Committees at the Sparrows Point Plant, the Union Co-Chairman of each Committee, or his designated representative, shall receive pay for the duties referred to above at the rate of the applicable average earnings and the number of hours paid shall not exceed a combined total of 20 hours per committee in a calendar month.

(c) **New Protective Apparel:** 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 Plant Safety and Health Committee in advance with the objective of increasing cooperation. Should differences result from such discussions, a grievance may be filed in Step No. 3 by the Chairman of the Grievance Committee within 30 days thereafter. In the event that the grievance progresses through the grievance procedure to arbitration, the impartial umpire shall determine whether such rule or requirement is appropriate to achieve the objectives set forth in Section 1 of this Article.

(d) If the Company requires an Employee to testify at the formal investigation into the causes of a disabling injury, the Employee will be advised by the Company that he may arrange to have the Union Co-Chairman of the Plant Safety and Health Committee (or a 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.
(2) 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, without delay after such accident, notify the Union Co-Chairman of the 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. At each Plant, the Union Co-Chairman of the Safety and Health Committee or his designee shall be added to the Plant notification list for such accidents. After making its investigation, the Company will supply to the Union Co-Chairman of the Plant 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 statement. In such cases, when requested by the Union Co-Chairman, the Company Co-Chairman of the Plant Safety and Health Committee or his designated representative will review the statement with the Union Co-Chairman. Also, in such cases, the Company, as soon as is practicable after such accidents, will notify the Union Co-Chairman of the Committee and he or his designated representative (who shall be a member of the Plant Safety and Health Committee) shall have the right to visit and observe the scene of the accident immediately after such notification, if he so desires, accompanied by the Company Co-Chairman or his designated representative.

(3) The Company will, from a single source at the appropriate organizational level, provide the International Union Health, Safety and Environment 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 location of the fatality and, if known, the cause of the fatality. When it becomes available, the Company will provide the international Union Health, Safety and Environment Department with a copy of the fatal accident report that is given to the local union Safety and Health Committee.

It is understood that any necessary discussion or other communication on this data between the Company and the International Union will be with the individual designated to provide such information.

(4) Each year the Company will, from the same source described in (3) above, provide the International Union Health, Safety and Environment Department with the OSHA Form 200 Summary of Occupational Injuries and Illnesses or its equivalent for each Plant covered by this Agreement. Upon request and for specific locations where detailed information is necessary, the Company will, from the source described above, provide a copy of the OSHA Form 200 Log of Occupational Injuries and Illnesses or its equivalent.

(e) Pay for Day of Injury: An Employee who, as a result of an OSHA recordable occupational injury or illness, is unable to return to his assigned job for the balance of the shift on which he was injured will be paid any wages lost on that shift.
Safety and Health Training. 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.

1. Training of Newly Hired Employees: Newly hired Employees shall receive training in the general recognition of safety and health hazards, their statutory and basic labor contract rights and obligations and the purpose and function of the Company's Safety, Health and Medical Departments, the joint Safety and Health Committee and the International Union Health, Safety and Environment Department. In addition, upon initial assignment to a job, they 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 Health, Safety and Environment Department or a designee shall, upon request, be afforded the opportunity to review the training program for newly hired Employees at the plant level.

2. 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.

3. Retraining: As required by the Employees' job and assignment area, periodic retraining shall be given on safe working procedures, hazard recognition and other necessary procedures and precautions.

(g) Joint Safety and Health Committee: The International Union and the Company shall each designate 3 representatives to a joint Company-level committee on safety and health which shall meet at least annually to review the operation of this Article 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 Section 1 of this Article. The Union and Company members of the Committee shall jointly formulate an agenda of safety and health topics to be discussed in the event of an annual meeting of Company and Union representatives. If in the event of special circumstances, the Director of the International Union's Health, Safety and Environment Department or a member of his staff desires access to a Plant, such access...
may be approved on a case-by-case basis through the Office of the Manager of Union Relations. The Manager of Union Relations or his designated representative shall accompany the International Union Representative.

(h) *First Aid Equipment, Training and Transportation:* First aid equipment and persons trained to render first aid shall be available in proximity to the workplace and provided by the Company. The Company shall provide prompt emergency transportation for Employees who are seriously injured on the job to an appropriate treatment facility and upon request shall provide return transportation to the Plant on the same day of injury for that Employee whose injury is determined to be occupationally related.

**Section 3. Unsafe Conditions**

*Procedure:* If an Employee shall believe in good faith and on the basis of objective evidence that there exists an unsafe condition, changed from the normal hazards inherent in the operation, so that the Employee is in danger of injury, he shall notify his foreman of such danger and of the facts relating thereto. Thereafter, unless there shall be a dispute as to the existence of such unsafe condition, he shall have the right, subject to reasonable steps for protecting other Employees and the equipment from injury, to be relieved from duty on the job in respect of which he has complained and to return to such job when such unsafe condition shall be remedied. The Management may in its discretion assign such Employee to other available work at the Plant. If the existence of such alleged unsafe condition shall be disputed, the chairman of the Grievance Committee and the Superintendent of Labor Relations or their designees shall immediately investigate such alleged unsafe condition and determine whether it exists. If they shall not agree and if the chairman of the Grievance Committee is of the opinion that such alleged unsafe condition exists, the Employee shall have the right to present a grievance in writing to the Superintendent of Labor Relations or his designee and thereafter to be relieved from duty on the job as stated above. Such grievance shall be presented without delay directly to an impartial umpire under the provisions of Article XI of this Agreement, who shall determine whether such Employee was justified in leaving the job because of the existence of such an unsafe condition. Should either the Management or the impartial umpire conclude that an unsafe condition within the meaning of this Section 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.

**Section 4. Union Liability**

It is agreed that the Union's Safety and Health Committee acts hereunder exclusively in an advisory capacity and that the International Union, Local Unions, Union Safety and Health Committees, and their officers, Employees' and agents shall not be liable for any work-connected injuries, disabilities or diseases which may be incurred by Employees.
Section 5. 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 all employees afflicted with alcoholism or drug abuse to undergo a coordinated program directed to the objective of their rehabilitation.

Section 6. Carbon Monoxide

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 Engineering, 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 procedure.

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:

(a) A reasonable time schedule for the implementation of the steps necessary to eliminate or control the hazard as identified in the survey;

(b) 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;

(c) 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 frequently 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;

(d) 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;
(e) 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;

(f) 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 instructed in escape and emergency rescue procedures. A detailed outline of the training procedures shall be included in the program;

(g) Posting of emergency escape procedures in areas of potential hazard;

(h) 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;

(i) An investigation of carbon monoxide incidents which result in Employee illness (defined as carboxyhemoglobin levels of 14% or higher), or which involve substantial accidental releases of carbon monoxide. A Union member of the joint Safety and Health Committee will participate in the investigation.

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 Health, Safety and Environment Department. 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. Recommendations shall be submitted to the Plant manager for consideration.

**Section 7. Safety Shoe Allowance**

On October 1, 1999, each Employee, other than a probationary Employee, will be provided a voucher for use at local vendor(s) designated by the Company for the full purchase price of one pair of safety shoes for the employee's use at the plant. On October 1, 2001, each Employee, other than a probationary Employee, who on that date has one year of continuous service shall receive a voucher for use at local vendor(s) designated by the Company for the full purchase price of one pair of safety shoes for the employee's use at the plant. On October 1, 2003, each Employee, other than a probationary Employee, who on that date has one year of continuous service shall receive a voucher for use at local vendor(s) designated by the Company for the full purchase price of one pair of safety shoes for the employee's use 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.

**Section 8. Confidentiality of Medical Reports**

The Company shall maintain the confidentiality of reports of medical examinations of its Employees and shall only furnish such reports to a physician designated by the Employee upon the written authorization of the Employee; provided, that the Company may use or supply such 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. Upon request the Company shall assure each Employee and the Union, when such Employee has given specific written consent, access to that Employee's medical records in accordance with the provisions of the Federal Occupational Safety and Health Act. All medical examinations required by any Federal, State, or other governmental mental agency shall be conducted by or under the supervision of a licensed physician.

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 9. Medical Surveillance**

The parties agree to cooperate in achieving maximum participation in existing medical surveillance programs by Employees currently eligible for such programs. An annual blood test (CBC hemoglobin differential including platelets) will be provided on Company time to the incumbent Employees in jobs in the by-products area of the Coke Plants who are exposed to benzene in excess of 0.5 ppm. The Company will cooperate with the Union in its efforts to secure outside funding for the purpose of establishing and/or maintaining additional medical surveillance programs.

**Section 10. Strain and Sprain Injuries and Repetitive Motion Disorders**

The Company and the Union agree to utilize the jointly developed Employee Safety Process (ESP) and established safety teams to reduce strain and sprain injuries and repetitive motion disorders as a top priority for employees covered by this bargaining agreement. The local joint plant Safety and Health Committee will provide direction, oversight, and training for the safety teams. In the absence of or inability of a local safety team to participate, the joint plant safety and health committee will be responsible. The USWA international and the
Bethlehem Steel corporate safety and health departments will conduct periodic joint reviews of each facility to ensure that the Employee Safety Process is being effectively applied to address these types of injuries. The initial review will be conducted within six (6) months and annually thereafter.

**Section 11. Union Safety Representatives**

(a) To support the Company and the Union's mutual and continuing objective of eliminating accidents and environmental health hazards, this will confirm our understanding that during the term of this Agreement the Company will pay full lost time in accordance with the understanding between the parties dated 7/1/92 for one Union Safety Representative at the Burns Harbor Plant and two Union Safety Representatives at the Sparrows Point Plant.

There are presently Union Safety Representatives at the above locations who shall remain in those positions. Where these employees must be replaced, the Local Union President(s) at each location, in consultation with local Business Unit safety and health representatives, shall nominate employees who have knowledge of the facilities and practices at their Business Unit and who have demonstrated a commitment to safety and health. The profile set forth in (b) will be used by the Local Union in its selection process.

Using the attached criteria, the final selection of the replacement Union Safety Representative at each location described above will be made by the Director of the USWA Health, Safety and Environment Department from the nominations submitted by the Local Union President(s).

The Union Safety Representative will report to the Union Co-Chairman of the Plant Safety and Health Committee and the Company Supervisor of Safety and Health at each location. The duties and work procedures for such Union Safety Representatives will be as described in the following position profile. Training for such Union Safety Representatives will be conducted as follows: During the **even number years of the Agreement**, training for the Union Safety Representatives will be jointly developed and conducted by the USWA Health, Safety and Environment Department and Corporate Safety and Health representatives in consult with local Business Unit representatives. This training will be provided by mutually agreed-to professionals and paid for by the Company. During the **odd number years of the Agreement**, training will be developed jointly by the Union and the Company at the Business Unit level and will be provided by mutually agreed-to professionals and paid for by the Company. The Company may substitute or add the Union's bi-annual Safety and Health Conference for this training.

To assure a significant commitment to the safety and health effort, individuals selected for the Safety Representative positions may not simultaneously serve as a Local Union official or work another position in the plant.
An annual review process will be established by the parties to review the effectiveness of this position in promoting improved safety and health performance at each location. One year after the selection of the Safety Representatives at each location described above, a meeting of the Vice President of Union Relations, Manager of Occupational Safety and Health, the Director - USWA Health, Safety and Environment Department and other appropriate Union and Company representatives shall be convened to conduct the initial review and to determine whether the program should be continued in its present form or expanded. If it is determined that additional Safety Representatives are appropriate at any location, such additional Safety Representatives shall be selected by mutual agreement of the Local Union President(s) and Manager - Human Resources at each location, with review and approval by the International Health, Safety and Environment Department and the Company Manager - Occupational Safety and Health.

(b) POSITION PROFILE SAFETY AND HEALTH REPRESENTATIVE

1. Reporting Relationship

(a) To Supervisor of Safety & Health (Management) and Union Co-Chairman of Joint Safety and Health Committee.

2. Major Accountabilities

(a) Promote and support safety involvement and team activities in the plant.
(b) Working with Plant Safety Engineers:

• identify current and long term safety and health issues.
• evaluate workplace safety and health conditions for compliance with applicable regulations and company policies.
• recommend appropriate corrective actions.
• maintain contact with workers on the floor.
• resolve safety and health complaints referred by grievance committee and departments.
• conduct safety training.
• perform safety audits.
• promote safety awareness activities.

3. Successful candidate must be committed to Safety and Health 100% of the time and will not hold another union office or position while serving as a Safety and Health Representative.

4. Annual and Periodic Training

(a) Core training to be developed by Company and Union Committee.

(b) Provided by mutually agreed to professional trainers (Safety and Health expertise).

(c) Company to pay for training.
5. Dimensions

(a) Analysis - good analytical skills.

(b) Problem Solving - demonstrates problem solving ability and skills.

(c) Motivation - strongly motivated to Safety and Health.

(d) Team Building - demonstrates effective team building skills.

(e) Innovative - willing to look for new approaches to improving Safety and Health awareness.

ARTICLE XV — MILITARY SERVICE, JURY PAY AND FUNERAL LEAVE

Section 1. Return From Military Service

(a) Reinstatement: Employees, other than temporary Employees, who enter the armed forces of the United States or who have left or who subsequent to the date hereof leave their positions for the purpose of being inducted into, enlisting in, determining their physical fitness to enter or to perform training duty in said armed forces, shall be reinstated in accordance with the applicable federal statutes.

(b) Training: A reasonable program of training shall be afforded to an Employee who shall not be qualified to perform the work on the job which he might have attained, if he had not been absent in such service.

(c) Leave of Absence: An Employee who is entitled to re-employment at any Plant under the provisions of this Section and who applies for such re-employment and who desires to pursue a course of study in accordance with the laws of the United States granting him such opportunity, shall be granted a leave of absence for such purpose. 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 after his re-employment, of his intention to pursue such a course of study. Such leave of absence shall not constitute a break in his length of continuous service and the period
of such leave shall be included in his length of continuous service, if such Employee shall report promptly for re-employment after the completion or termination of such course of study and if he shall at least once each year notify the Management and the Union in writing of his intention to return to work at such Plant at the completion or termination of such course of study.

(d) **Reemployment of Disabled Employees:** An Employee who is entitled to re-employment in accordance with the provisions of this Section and who has been disabled in the course of such service in the armed forces shall, during the period of such disability, be assigned without regard to the provisions of Article X hereof relating to seniority to any vacancy which shall be suitable to his disability, provided that the disability of such Employee is of such nature that it shall be onerous or impossible for him to return to his own job or department and provided further that he shall have the minimum physical requirements for the work available.

**Section 2. Vacation Benefits**

(a) **Eligibility and Payment:** If any Employee who would otherwise have been entitled in any year to a vacation with pay under the provisions of Article IX of this Agreement shall during such year enter the armed forces of the United States before he shall have taken such vacation or been paid an allowance in lieu of such vacation and if he shall furnish to the Company at least 14 days' prior written notice of his intention to enlist, he shall be paid an allowance in lieu of such vacation equal to the amount of vacation pay which he would have been entitled to receive for the period of such vacation.

(b) Any Employee who shall be re-employed under the provisions of Section 1 of this Article and whose length of continuous service with the Company determined as provided in Article IX of this Agreement shall qualify him for a vacation with pay in the year in which he shall so be re-employed shall receive such vacation with pay or a vacation allowance in lieu thereof irrespective of the date in such year on which he shall so be re-employed.

**Section 3. Military Encampment Allowance**

(a) **Compensation:** 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 allowances) 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 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.

(b) *Schedules for Reservists and National Guard:*

Where it is possible without undue disruption to the schedules of others and where the Company is not required to incur additional expense, the management agrees on a case-by-case basis to adjust the work schedules for those employees who serve in the Reserves of the Armed Forces or National Guard so that they may attend the required weekend drills without having to report off work. Furthermore, similar schedule accommodations will be made for the day before or after summer military encampments if the employee's orders require him/her to report for or be released from active duty outside of the two week period of encampment.

**Section 4. Jury Service**

*Compensation, Jury and 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 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 the Employee would have worked had he not been performing such service (plus, any holiday in such period which he would not have worked) and the pay for each day of service shall be 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 of the amount of pay, if any, received therefor.

**Section 5. Funeral Leave**
Compensatory Absence: 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 3 scheduled shifts (5 scheduled shifts in the case of the death of an Employee's legal spouse, son, or daughter including stepchildren when they have lived with the Employee in an immediate family relationship) (or for such fewer shifts as the Employee may be absent) which fall within a 3-consecutive-calendar-day period (or 5-consecutive-calendar-day period in the case of the death of an Employee's legal spouse, son, or daughter including stepchildren when they have lived with the Employee in an immediate family relationship); provided, however, that one such calendar day shall be the day of the funeral and it is established that the Employee attended the funeral. Payment shall be 8 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.

ARTICLE XVI—UNION ACTIVITY

No Employee shall engage in any union activity on the property of the Company in any manner which shall interfere with production or engage in any union activity on Company time.

ARTICLE XVII—PROHIBITION OF STRIKES AND LOCKOUTS

During the term of this Agreement neither the Union nor any Employee shall (a) engage in or in any way encourage or sanction any strike or other action which shall interrupt or interfere with work or production at any of the Plants or (b) prevent or attempt to prevent the access of employees to any of the Plants. During the term of this Agreement the Company shall not engage in any lockout of Employees at any of the Plants. The Management may suspend and later discharge, in accordance with the provisions of Article XII of this Agreement, any Employee who shall violate any provision of this Article. Prior to discharging any such Employee for any such violation, the Management shall furnish the name, check number and address of such Employee to the Director of the District of the Union in which the Plant is located.
ARTICLE XVIII—SEVERANCE ALLOWANCE

Section 1. Permanent Shutdowns

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

(b) If the Company shall close permanently a Plant or discontinue permanently a department of a Plant or a substantial portion thereof, each Employee whose employment shall be terminated by the Company as a result thereof and who at the time shall have a length of continuous service with the Company of 3 years or more shall be entitled to a severance allowance all in accordance with the provisions hereinafter in this Article set forth.

Section 2. Length of Service

Eligibility: For the purposes of this Article, the length of continuous service of an Employee with the Company shall be computed in accordance with the provisions of Section 2 and Section 3 of Article X of this Agreement, except that, if an Employee shall be laid off for a period of over 6 months, the part of such period over 6 months shall not be included as part of his length of continuous service with the Company.

Section 3. Payment of Allowance

(a) Scale of Allowance: The amount of severance allowance which an Employee shall receive in accordance with the provisions of this Article shall be 4 weeks' pay in the case of Employees having a length of continuous service of 3 years or more but less than 5 years, 6
weeks' pay in the case of Employees having a length of continuous service of 5 years or more but less than 7 years, 7 weeks' pay in the case of Employees having a length of continuous service of 7 years or more but less than 10 years and 8 weeks' pay in the case of Employees having a length of continuous service of 10 years or more. Each week of severance allowance shall be determined in accordance with the provisions for the calculation of vacation pay set forth in Section 6 of Article IX of this Agreement. The payment of a severance allowance to an Employee shall be made in a lump sum when his employment shall be terminated.

(b) Notwithstanding any other provision of this Article XVIII, any severance allowance payable may be reduced by (a) any incremental pension benefit payable as a result of the event creating eligibility for severance allowance, (b) the value of retiree health benefits, or (c) both (a) and (b) to the extent permitted by the provisions of the Age Discrimination Employment Act of 1967, as amended.

Section 4. Employment in Lieu of Allowance

If an Employee at any Plant who shall lose his job as a result of the permanent closing of such Plant or the permanent discontinuance of a department of such Plant or a substantial portion thereof shall be offered employment by the Company consistent with the provisions of Article X hereof in a job for which he is qualified at such Plant, in the same or a higher job class, he shall not be entitled to a severance allowance pursuant to the provisions of this Article. If he shall be offered employment by the Company in any other job, he shall have the option of either accepting such other employment or receiving the severance allowance herein provided. The length of continuous service of an Employee who shall be paid a severance allowance pursuant to the provisions of this Article shall be deemed to be broken as of the date of such payment.

Section 5. Payment Limitation

Non-Duplication of Allowance: An Employee shall not be entitled to a severance allowance pursuant to the provisions of this Article, if he shall receive an amount equivalent to such allowance by reason of any other agreement, law or otherwise. If an Employee shall be entitled to any discharge, liquidation, severance or dismissal allowance or payment of similar kind (not including statutory unemployment compensation payments) by reason of any law of the United States or any of the states, districts or territories subject to its jurisdiction, the total amount of any such payment shall be deducted from the severance allowance to which the Employee shall be entitled under this Article.

Section 6. Layoff in Lieu of Termination

Layoff Status Option: 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 1 of this Article 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 be terminated and receive severance allowance if he is eligible for any such allowance under the provisions of this Article; provided, however, that 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. If an Employee elects to continue on layoff status, he shall continue to be in such status notwithstanding the expiration or termination of this Agreement. 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.

**ARTICLE XIX—SUCCESSORSHIP**

**Section 1. Sale of Plant**

The Company agrees that it will not sell, convey, assign or otherwise transfer any Plant or significant part thereof covered by a Labor Agreement between the Company and the United Steelworkers of America that has not been permanently shut down for at least eight months to any other party (Buyer) who intends to continue to operate the business as the Company had, unless the following conditions have been satisfied prior to the closing date of the sale:

(a) The Buyer shall have entered into an Agreement with the Union recognizing it as the bargaining representative for the Employees within the existing bargaining units,

(b) The Buyer shall have entered into an Agreement with the Union establishing the terms and conditions of employment to be effective as of the closing date,

(c) If requested by the Company the Union will enter into negotiations with the Company on the subject of releasing and discharging the Company from any obligations, responsibilities and liabilities to the Union and the Employees, except as the parties otherwise mutually agree.

This provision is not intended to apply to any transactions solely between the Company and any of its subsidiaries or affiliates, or its parent company including any of its subsidiaries or affiliates; nor is it intended to apply to transactions involving the sale of stock, except if a plant or
significant part thereof, which is covered by the Labor Agreement, is sold to a third party pursuant to a transaction involving the sale of stock of a subsidiary.

"Permanently shut down for eight months" shall mean that the notice required under Article XVIII, Section 1 (a), has been given and that for eight months following the final closure date, (1) no bargaining unit work has been performed other than tasks associated with the shutdown of operations, (2) no improvements have been made and (3) the Company has acknowledged entitlements to and is processing and/or paying, as appropriate, shutdown benefits in accordance with the Labor Agreement and applicable benefit Agreements.

ARTICLE XX—SUPPLEMENTAL UNEMPLOYMENT BENEFITS

Section 1. 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 Article as though incorporated herein.

Section 2. Coverage

(a) 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.

(b) 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.

(c) 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
Section 3. Reports to the Union

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

ARTICLE XXI—SUB AND INSURANCE GRIEVANCES

Section 1. Procedure for Handling Disputes

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 under the PIB for life insurance.

Denial of Claims: If any difference shall arise between the Company and any Employee as to the benefits payable to him (a) pursuant to the SUB, or (b) pursuant to the insurance Agreement (including PIB) because his claim was denied in whole or in part; or between the Company and the Union as to the interpretation or application of or compliance with the provisions of the SUB, and such difference is not resolved by discussion with a representative of the Company at the location where it arises, it shall, if presented in writing under the following provisions, become a SUB grievance or an Insurance grievance (in either case hereinafter referred to as grievance) and it shall be disposed of in the manner described below:

(a) Grievances: A grievance must, in order to be considered, be presented in writing within 30 days after the action giving rise to such difference on a form to be furnished by the Company which shall be dated and signed by the Employee involved and the representative designated by the local Union to handle such grievances and presented to a local representative of the Company designated to receive and handle such grievances. The grievance shall be discussed by such representatives within 10 days after it has been presented to the representative of the Company. The representative of the Company shall
note in the appropriate place on the form his disposition of the grievance, his reasons therefor and the date thereof and shall return two copies of the form to the local representative of the Union within 10 days after the date on which it was last discussed by them unless he and the local representative of the Union agree otherwise. Minutes of any discussion between the Union and 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. Notwithstanding the first sentence of this paragraph, (1) 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 (2) a grievance relating to the PIB must be presented within 30 days after the earliest date on which the grievant knew or reasonably should have known of the action on which it is based.

(b) Appeal of Grievances. 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.

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

(d) Decision Final and Binding: The decision of the impartial umpire on any grievance which has properly been referred to him shall be final and binding upon the Company, the Union and all Employees involved in the grievance.

ARTICLE XXII—TERM OF AGREEMENT

Section 1. Termination

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.

Section 2. Subjects of Negotiations

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 with 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).

Section 3. Benefit Plans

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.

Section 4. Mailing of Notices

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 Bethlehem, Pennsylvania 18016, attention of the Vice President of Union Relations. Either party may, by like written notice, change the address to which registered mail notice to it shall be given.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in their respective names of their respective representatives thereunto duly authorized.

BETHELHEM STEEL CORPORATION
by
John L. Kluttz
Vice President, Union Relations
Dorothy L. Stephenson
Vice President Human Resources

UNITED STEELWORKERS OF AMERICA
by
George Becker
President
Leo W. Gerard
Secretary-Treasurer
Richard H. Davis
Vice-President (administration)
Leon Lynch
Vice-President (Human Affairs)
Thomas M. Conway
Chairman
Ernest R. Thompson
Secretary
APPENDIX 1

LIST OF PLANTS

Burns Harbor Plant at Chesterton, Indiana;
    — Burns Harbor Division

Coatesville Plant at Coatesville, PA
    — Bethlehem Lukens Plate Division
      (In accordance with Appendix Z of the 1999 Settlement Agreement)

Lackawanna Plant at Lackawanna and Blasdell, New York;
    — Burns Harbor Galvanizing Line
    — Lackawanna Coke Division
      (In accordance with Appendix Y of the 1999 Settlement Agreement)

Sparrows Point Plant at Sparrows Point, Maryland;
    — Sparrows Point Division

Steelton Plant at Steelton, Pennsylvania
    — Pennsylvania Steel Technologies, Inc.
      (In accordance with Appendix AA of the 1999 Settlement Agreement)

(Separate Letter Agreement in the 1999 Settlement Agreement deals with the Plants deleted from this List of Plants.)
## APPENDIX 2
Standard Hourly Wage Rates for Non-incentive Jobs,
Incentive Calculation Rates and Hourly Additives
Effective August 1, 1999

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## APPENDIX 2
Standard Hourly Wage Rates for Non-incentive Jobs,
Incentive Calculation Rates and Hourly Additives
Effective February 1, 2000
### APPENDIX 2

Standard Hourly Wage Rates for Non-incentive Jobs,
Incentive Calculation Rates and Hourly Additives
Effective August 1, 2001

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APPENDIX 2A

INFLATION RECOGNITION PAYMENT

A. For purposes of this Agreement:


(2) The "Consumer Price Index Base" shall be determined as follows:

(a) For the August 1, 1999; November 1, 1999; February 1, 2000, and May 1, 2000 Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of March, 1999, published by the Bureau of Labor Statistics, multiplied by 103%.

(b) For the August 1, 2000; November 1, 2000; February 1, 2001, and May 1, 2001 Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of March, 2000, multiplied by 103%.

(c) For the August 1, 2001; November 1, 2001; February 1, 2002, and May 1, 2002 Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of March, 2001, multiplied by 103%.

(d) For the August 1, 2002; November 1, 2002; February 1, 2003, and May 1, 2003 Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of March, 2002, multiplied by 103%.

(e) For the August 1, 2003; November 1, 2003; February 1, 2004, and May 1, 2004 Adjustment Dates, the Consumer Price Index Base refers to the Consumer Price Index for the month of March, 2003, multiplied by 103%.

(3) "Adjustment Dates" are August 1, 1999; November 1, 1999; February 1, 2000; May 1, 2000; August 1, 2000; November 1, 2000; February 1, 2001; May 1, 2001; August 1, 2001; November 1, 2001; February 1, 2002; May 1, 2002; August 1, 2002; November 1, 2002; February 1, 2003; May 1, 2003; August 1, 2003; November 1, 2003; February 1, 2004; and May 1, 2004.

(4) "Inflation Recognition Payment" is calculated as below and will
be payable for the three-month period commencing with the first full calendar week beginning nearest to the Adjustment Date.

(5) "Consumer Price Index for the current period" is the Consumer Price Index for the second calendar month next preceding the month in which the applicable Adjustment Date falls.

B. Effective with the first full calendar week beginning nearest to the Adjustment Date a payment shall be earned equal to one percent (1.0%) of the Standard Hourly Wage Rates (SHWR) for each full one percent (1.0%) by which the Consumer Price index for the current period exceeds the Consumer Price Index Base.

(1) The earned payment shall be determined by multiplying the percent determined in (B) above by the Standard Hourly Wage Rate for each position worked by an employee for all hours actually worked, overtime allowance hours, and for any reporting allowance hours credited before the next Adjustment Date. The Inflation Recognition Payment earned, if any, between Adjustment Dates will be paid promptly in a separate check. If the Company reports a net loss for the calendar quarter ending immediately prior to the date of payment, the Company shall have the option of crediting the Inflation Recognition Payment earned as an Investment Amount for shares of preference stock which will be contributed to the Employee Stock Ownership Plan by April 15 of the following calendar year.

(2) In calculating the payment for **August 1, 1999; November 1, 1999; February 1, 2000; and May 1, 2000**, there shall be added to the percent calculated in (B) above, the percent used to calculate the Inflation Recognition Payment, if any, which was payable on **May 1, 1999**.

(3) In calculating the payment for August 1, 2000; November 1, 2000; February 1, 2001; and May 1, 2001, there shall be added to the percent calculated in (B) above, the percent used to calculate the Inflation Recognition Payment, if any, which was payable on May 1, 2000.

(4) In calculating the payment for August 1, 2001; November 1, 2001; February 1, 2002; and May 1, 2002, there shall be added to the percent calculated in (B) above, the percent used to calculate the Inflation Recognition Payment, if any, which was payable on May 1, 2001.

(5) In calculating the payment for August 1, 2002; November 1, 2002; February 1, 2003; and May 1, 2003, there shall be added to the percent calculated in (B) above, the percent used to calculate the Inflation Recognition Payment, if any, which was payable on May 1, 2002.
(6) In calculating the payment for August 1, 2003; November 1, 2003; February 1, 2004; and May 1, 2004, there shall be added to the percent calculated in (B) above, the percent used to calculate the Inflation Recognition Payment, if any, which was payable on May 1, 2003.

C. The Inflation Recognition Payment shall be an "Add-on" and shall not be part of the Employee's Standard Hourly Wage Rate. Such adjustment shall be payable only for hours actually worked, overtime allowance hours, and for reporting allowance hours, but shall not be part of the Employee's pay for any other purpose and shall not be used in the calculation of any other pay allowance or benefit.

D. Should the Consumer Price Index in its present form and on the same basis (including composition of the "Market Basket" and "Consumer Sample") as the last Index published prior to June 1, 1999, become unavailable, the parties shall attempt to adjust this Appendix or, if agreement is not reached, request the Bureau of Labor Statistics to provide the appropriate conversion or adjustment which shall be applicable as of the appropriate Adjustment Date and thereafter. The purpose of such conversion shall be to produce as nearly as possible the same result as would have been achieved using the Index in its present form.

APPENDIX 2B

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APPENDIX 3

OVERTIME CONTROL

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

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

(b) Purpose: The OCTF is to be used to fund job-related training and education, provided that such training is directly related to pre-apprenticeship preparation programs, apprenticeship programs, craft training, non-craft described and classified job training and other job related training other than training the Company affords pursuant to Article X, Section 11 (manning New Facilities) or Appendix 38, Section 9 (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 for the projected amount of plant OCTF allocable to specific plant training and education programs. An information copy of such annual plan shall promptly be sent to the International President of the Union and the Company and Union Chairmen of the Negotiating Committee.

(e) Reporting: The company shall furnish to the International President, the Company and Union Co-Chairmen of the Negotiating committee, and the Committee a quarterly report (i) itemizing credits and charges to the Plant OCTF, relating each such credit and charge to a specific program contained in the Annual OCTF Plan, (ii) stating the current level of the Plant OCTF and (iii) showing, by each department in the Plant, the hours worked by each employee in such department during each pay period in the quarter for which an Overtime Control credit has been incurred pursuant to this Appendix.

(f) Auditing: Upon request of the Union Chairman of the Negotiating Committee an audit of Company reports and of the underlying program activities shall be made in accordance with the following: The Company and the Union shall jointly select an 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 Impartial Umpire 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.
1999 AGREEMENT PROFIT SHARING PLAN

1. The Company will adopt a new profit sharing plan (the "Profit Sharing Plan"), as described in this Appendix, effective January 1, 2000.

2. Profit sharing calculations and payments will be made on an annual basis.

3. Total annual Profit Sharing Pool will be equal to 10% of annual pre-tax pre-plan income of the Company as defined in paragraph 6. The amount added back to corporate pre-tax income for calculating pre-plan income will be the expense for the Profit Sharing Pool. The Profit Share Amount is the amount payable to Covered Employees from the Profit Sharing Pool as described in paragraph 7.

4. The Profit Sharing Plan covers the following groups of employees represented by the Union ("Covered Employees"): a. Burns Harbor Division (including Lackawanna Galvanizing and Lackawanna Coke).

   b. Bethlehem Lukens Plate Division (at the Coatesville Plant and the Plate Mills at Burns Harbor Plant).

   c. Sparrows Point Division, and

   d. Pennsylvania Steel Technologies, Inc.

The Company and the Union may agree from time to time to change or modify the list of Covered Employees.

5. If the Company does not have any pre-tax, pre-plan income for any year, there will be no Profit Sharing Pool.

6. Pre-tax, pre-plan income of the Company for purposes of calculating the Profit Sharing Pool will be determined by the same methods as the Company uses...
in the ordinary course of its business. The following items defined under generally accepted accounting principles or which are in common use in public financial statement reporting will also be excluded from pre-tax, pre-plan income: The pre-tax income or loss related to charges or credits (whether or not identified as special credits or charges) for unusual or infrequently occurring items (such as plant shutdowns, business dispositions or sale of property, plant and equipment not in the ordinary course of business or intangible assets) and for extraordinary items (such as repurchased debt) as reported on separate line items in the Company's income statement. In addition, credits or charges for plant shutdowns, business dispositions, sales of property, plant and equipment or intangible assets, which credits and charges are not normal operating charges or credits, which individually exceed $1 million per occurrence, and have not been reported as separate line items in the Company's income statement, shall all be aggregated and their sum, if it exceeds $10 million, shall be excluded from the calculation of pre-tax, pre-plan income. Whenever there are changes in accounting principles applied by the Company which are not immaterial, the Company will follow, for purposes of calculating pre-tax, pre-plan income, the same methods of accounting utilized by it in the reports and projections used in the negotiations for the 1999 Bethlehem USWA Agreement, unless the parties agree otherwise.

7. The Profit Sharing Pool will be distributed among all Covered Employees on the basis of the hours as defined in paragraph 12 below ("Hours") of each such covered Employee. The Profit Sharing Amount distributed to each Covered Employee will be equal to the Profit Sharing Pool divided by the total Hours of all Covered Employees multiplied times the Covered Employee's Hours during the year.

8. No later than March 1 following the end of the Plan Year, the company will provide to the Chairman of the Union Negotiating Committee a statement setting forth the amounts used to calculate pre-tax, pre-plan income of the Company, the calculation of the Profit Sharing Amount in total dollars and rate per hour, and a report prepared by the Company's certified public accountant stating that such statement was prepared in accordance with the 1999 Bethlehem/USWA Agreement. The reasonable cost of the report will be deducted from the Profit Sharing Pool.

9. Upon receipt of the determination of pre-tax, pre-plan income and the Profit Sharing Pool described herein, the Union may request an additional audit of the determination of pre-tax, pre-plan 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 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 Vice President, union Relations within thirty (30) days of receipt of the Profit Sharing Pool determination described in paragraph 8 above. The Company shall provide the
firm conducting such audit with all the information necessary to conduct such an audit.

10. If, as a result of an opinion of the Union's outside auditing firm, the Union disagrees with the Company's determination of pre-tax, pre-plan income and/or the Profit Sharing Pool, such disagreement must be submitted in writing by the Chairman of the Union Negotiating committee to the Vice President, Union Relations not later than fifteen (15) days following the completion of such audit and shall set forth in detail the basis for the disagreement. A reply by the Vice President, Union Relations will be provided in writing fifteen (15) days thereafter. In the event disagreement continues following receipt of the Vice President, union Relations' reply, the matter may be submitted to binding arbitration upon written request of the Chairman of the Union negotiating Committee to the Vice President, Union Relations within fifteen (15) days of the Vice President, Union Relations' reply. In the event of such arbitration, the arbitrator shall be selected by the Impartial Umpire. 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 the Company and the United Steelworkers of America. The decision of the arbitrator will be final and binding and the foregoing shall be the sole, exclusive and mandatory procedures for resolving any such disputes.

11. Notwithstanding paragraph 10 above, the Company shall make the payment to Covered Employees as provided in paragraph 13 below based on its determination of the Profit Sharing Pool less the expense of the Union's audit under paragraph 9. If the process described in paragraph 10 above results in a requirement for an additional payout, said payout shall be made no more than 30 days after the issuance of the Arbitrator's award.

12. For purposes of paragraph 7 above, "Hours" shall include the following, but shall not exceed 40 hours for any week for any Covered Employee: Hours worked (including straight time and overtime hours), vacation, hours on USWA business, and hours while receiving Workers' Compensation benefits (based on the number of days absent from work while receiving such benefits) provided that the Covered Employee worked during the year.

13. The Profit Sharing Amount determined for a Covered Employee will be paid in cash no later than March 31 of the year following the year for which profits are calculated.

14. If the Profit Sharing Plan is in effect for less than a full year, the calculation of pre-tax, pre-plan income for purposes of calculating the Profit Sharing Pool will be calculated as a proportion of annual income.

15. Any payments made to a Covered Employee pursuant to the Profit Sharing Plan shall not be included in the Covered Employee's earnings for purposes
of determining any other pay, benefit or allowance of the Covered Employee.

APPENDIX 5

USWA/BETHLEHEM CAREER DEVELOPMENT PROGRAM

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

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

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

Funding and Administration

The Program 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 Program will be administered jointly by the Company and the Union in accordance with the procedures, rules, regulations and policies of the ICD. Effective with calendar year 2000, any credits accrued for actual hours worked during a calendar year which remain unspent at the end of such calendar year will commence accruing interest 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 Program will continue to be separately tracked. ICD will continue to be under the joint supervision of the Union and participating employers with a Governing Board consisting of an equal number of Union and employer appointees.

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

**Reporting, Auditing, Accountability and Oversight**

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

1. **Reporting**

   For each calendar year quarter, and within 30 days of the close of such quarter, the Company shall account to the ICD, the International President of the Union and the Union Chairman of the Negotiating Committee for all changes in the financial condition of the Program. Such reporting shall include at least the following information for each such quarter:

   - The Company's 10¢ (15¢ effective July 31, 2002) per hour contribution per quarter with cumulative balance.
   - The amount, if any, of imputed interest.
   - A detailed breakdown of actual expenditures related to approved program activities during said quarter.
   - Reports shall be broken down by plant and include all expenditures for that site.
   - Reports shall be made on form(s) developed by ICD and approved by the ICD Governing Board.
The Union Co-Chairs of each of the Local Joint Committees shall receive a report with the same information for their plant or local union, as the case may be.

2. **Auditing**

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

3. **ICD Approval and Oversight**

   Each year, the Local Joint Committees shall submit a proposed training/education plan to the Union and Company Negotiating Committee Chairmen. Upon their approval, said plans shall be submitted to the ICD. ICD must approve the annual plan before any expenditure in connection with any activities may be charged against the funds provided for in this Program. An expenditure shall not be charged against such funds until such expenditure is actually made.

**Dispute Resolution Mechanism**

   Any dispute regarding the administration of the Program at the Company or plant level shall be subject to expedited resolution by the Company and the Union Co-Chairmen of the Negotiating Committee and the Executive Director of ICD who shall apply the policies, rules and regulations for 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.
Mr. Thomas M. Conway  
Chairman, Negotiating Committee  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA 15222

Dear Mr. Conway:

This letter will confirm our understanding in connection with this Appendix 5, the USWA/Bethlehem Career Development Program, that if for any reason the USWA/Bethlehem Career Development Program is terminated, or if the scope of the Program 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,

BETHLEHEM STEEL CORPORATION

John L. Kluttz  
Vice President, Union Relations

Confirmed:

__________________________________________
Thomas M. Conway  
Chairman, Union Negotiating Committee  
United Steelworkers of America
APPENDIX 6

401(k) PLAN OUTLINE

1. **Description of Plan**

   The 401(k) Plan to be effective January 1, 1987, is designed to provide eligible Employees with an opportunity to increase the value of their earnings and to provide for increased retirement benefits through tax advantaged savings.
   
   Monies directed into the Plan will not be taxed for Federal Income Tax purposes or (most) State Tax purposes. Interest and/or dividend earnings are not taxed until distribution, and may be eligible for advantageous 10-year tax averaging.

2. **Eligibility**

   All active hourly Employees who have attained age 19 and have one year of continuous service with the Company shall be eligible to participate in the Plan. **Effective January 1, 2000, any covered Employee who has at least 6 months of continuous service will be permitted to participate in the plan.**

3. **Plan Funding Options**

   Annually, prior to January 1, each participant shall have the option to direct that a portion or all of his bonus payment(s) under the Employee Investment Program and/or Experimental Gainsharing Plans, if any, be allocated to his 401(k) account. In addition, each participant may direct that from 1% to 18% (subject to IRS regulations) of his earnings be reduced to fund his 401(k) account. Contributions into the Plan shall not exceed the maximum permissible by law. Before the start of each year, the Company will announce whether a higher maximum rate is permissible for that year.
   
   Eligible employees will be permitted to enroll in the Plan as of the first day of each month.

4. **Investment Options**

   Participants may have several investment options into which they may direct their funds. These funds shall include a conservative, a moderate and an aggressive option.
   
   Participants may change their investment selections once each calendar quarter.
Effective January 1, 2000, up to two new investment options will be added to the respective Plans; provided, however, that these new investment options will be from existing mutual fund families and further provided, however, that by September 1, 1999 the Union designate these investment options. If the Company reasonably objects, the matter will be referred to expedited arbitration.

5. Plan Administration

a. General: The Plan shall be administered by the Company and the Company shall bear payroll administrative costs associated with the Plan. The per participant, trustee, record keeping, transaction and other administrative fees will be borne by the Plan. The Company will bear the payroll, trust, record keeping, and transaction fees, except fees required to be borne by the Trustee in connection with the investment of funds and except any loan processing fees. Any change in the Plan record keeper, trustee, and investment vehicles will be determined following a joint analysis by the Company and the Union. However, final selection of the record keeper, trustee and investment vehicles shall be made by the Company from among options acceptable to the Union, to assure that third party administrative requirements and Company systems are compatible. The Company will conduct periodic anti-discrimination tests as required by law. In the event that discrimination relative to contributions of the higher-paid Employees is discovered, the higher-paid Employees may be directed to lower their contribution.

b. Vesting: All contributions are immediately vested.

c. Withdrawals: Withdrawals from the Plan are available in the event of retirement, death, disability termination, at age 59-1/2 or in the event of hardship, as set forth by the Internal Revenue Service.

d. Additional Plan Requirements: Internal Revenue Service approvals and Bethlehem Steel Board of Directors approval must be obtained.

6. Other Provisions

a. Loan Provision: Effective January 1, 2000, participants will be permitted to have up to two loans outstanding at any one time for any reason and the "Immediate and Heavy Financial Needs" loan requirements are eliminated. In addition, the loan refinancing provision is eliminated.

b. Education Program: An education program will be developed
fully informing eligible employees of the Plan provisions. That program will include a brochure, video, meetings and training for local Human Resources representatives.

c. *ESOP Rollovers:* The Plan will accept eligible rollover distributions from the Employee Stock Ownership Plan (ESOP).

d. *Account Access:* As early as feasible, but no later than January 1, 2001, the Company will arrange for participants to access their accounts through the Internet, utilizing a system of PIN numbers and passwords.

APPENDIX 7

EXPERIMENTAL GAINSHARING PLANS

1. **Guiding Principles**

   The parties recognize that in order to be a viable steel producer in today’s highly competitive world market, the Company must reduce the man-hours required to produce a ton of steel. To accomplish this reduction it will have to continue to install new equipment and processes, make technological changes, and otherwise modernize its facilities. Other man-hour reductions may also be necessary to be competitive with respect to employment costs per ton of steel produced.

   The parties also recognize that natural attrition is the most humane and therefore the preferred means in such situations of accommodating worker security and the changing economic environment. However, where natural attrition is insufficient to achieve competitive force levels, other measures may be appropriate, provided they are just.

   The market requires and Bethlehem workers desire to produce quality products. Traditional measures of compensation may not have fully recognized the contribution of Employees toward the production of prime steel.

   For these reasons, the Local Union and Management at each location may by mutual agreement decide whether to establish an Experimental Gainsharing Plan ("Plan").

   The Plans developed under this agreement will be designed to insure that workers share in the gains produced by new technology, reduced force levels and improved quality. Such Plans will not be implemented unless they are mutually agreed to by the Local Union and Management, are approved at the Company and International Union headquarters level and contain the elements outlined in this Agreement.
2. Administration of Plans

Any Plans developed pursuant to this Agreement will be administered by the Company in accordance with their terms, and the costs of administration shall be the responsibility of the Company.

At locations where the parties wish to consider such a Plan, a Local joint Committee will be formed with an equal number of members designated by the Union and Management not to exceed four each, for purposes of (1) determining whether to establish a Plan, (2) if agreed, formulating such a Plan, its terms and duration, and (3) thereafter reviewing performance of any such Plan.

A joint Review Board shall be established consisting of an equal number of members appointed by the International President of the Union and the President of the Company. The Board is empowered to (1) review and approve all Plans developed at Plant locations, (2) make such policy recommendations as may be appropriate, (3) discuss areas of mutual concern regarding the Company's goals and investment plans for the covered locations, and (4) discuss the security needs of Employees in relation to the Company's plans.

The Union, through its representatives on the Local joint Committee or their designee, shall have the right, upon proper notice, to review any calculations under any Plan for the purpose of verifying its performance.

Any participant during any calculation period shall be entitled to payment under the Plan in accordance with Plan provisions.

Any payment(s) from the Plan shall not be considered earnings for any other purposes except as subject to applicable statutory taxes on income. Such payments are subject to Union dues under the Basic Labor Agreement between the parties.

3. Possible Measures for Determining Gain

In developing their Plans, the Local Joint Committee may adopt, among others, any or all of the following measures for determining benefits under such Plan.

a. Prime tons shipped;

b. Man-hours per prime ton;

c. Quality of product; and

d. Reductions in non-labor costs attributable to Employee effort, involvement or initiatives.

4. Gainsharing Distributions

Gainsharing Plans shall be designed to reward Employees, equitably, for their collective successful efforts. Payments under any such Plan will be calculated and paid quarterly.
Payment may be made in lump sum, or under the Employee Investment Program, or in such other manner as the parties agree.

5. **Pension and Severance Inducements Procedure**

The parties may agree that as part of an Experimental Gainsharing Plan at their location there may be inducements in connection with reductions in force levels, and the Local joint Committee will proceed as follows:

a. Inducements may include retirement bonuses and severance payments. Other special allowances may be offered to Employees not eligible for immediate retirement. In the event that legislative changes or other legal requirements prohibit such inducements in the future, the parties will meet to develop other mutually agreeable approaches.

b. The Committee will establish annual minimum force level reduction goals and develop appropriate safeguards to protect Employee rights.

c. The Committee will determine and identify the proper Employees to receive inducements and the order in which they will be offered.

d. Employees granted special inducements under this Agreement may be retained for the period that is necessary to train replacements, up to a maximum of six (6) months.

6. **Protection Against Contracting Out**

Nothing in this agreement or in any Plan established pursuant to this agreement shall affect rights secured by the contracting out provisions of the Basic Labor Agreement. No work associated with a job eliminated or reduced as a result of any Plan under this agreement shall be contracted out.

**APPENDIX 8**

SUPPLEMENTAL AGREEMENT dated May 25, 1956, between BETHLEHEM STEEL CORPORATION and UNITED STEELWORKERS OF AMERICA

The parties hereto agree as follows:

**Section 1. Meaning of Terms:** Except as otherwise expressly provided herein, the terms used herein have the same meaning as they have in the agreement dated July 1, 1954, as amended, between the parties hereto, and any agreement which shall succeed such agreement. Such agreement is hereinafter referred to as the Main Agreement.
Section 2. Increase in Incentive Earnings: Effective beginning June 4, 1956, the hourly earnings of each Employee whose job shall be paid on an incentive basis, for each hour for which he is paid incentive earnings, shall be increased by an amount obtained by multiplying the standard hourly wage rate in effect for such job on the date of this Agreement by an Adjustment Factor in the amount shown in the following table opposite the applicable percentage by which the average hourly earnings (not including overtime compensation or shift premiums) of all the Employees on the particular job for the hours worked by them on an incentive basis during the pay periods closed in the calendar quarter ended March 31, 1956, exceeded the standard hourly wage rate applicable during those periods to such job:

<table>
<thead>
<tr>
<th>Percentage by Which Earnings</th>
<th>Adjustment Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>in First Quarter of 1956</td>
<td></td>
</tr>
<tr>
<td>Exceeded Standard Hourly</td>
<td></td>
</tr>
<tr>
<td>Wage Rate</td>
<td></td>
</tr>
<tr>
<td>Over 0% and under 10%</td>
<td>5%</td>
</tr>
<tr>
<td>10% to 14.9%</td>
<td>4%</td>
</tr>
<tr>
<td>15% to 19.9%</td>
<td>3%</td>
</tr>
<tr>
<td>20% to 24.9%</td>
<td>2%</td>
</tr>
<tr>
<td>25% to 29.9%</td>
<td>1%</td>
</tr>
<tr>
<td>30% and over</td>
<td>0%</td>
</tr>
</tbody>
</table>

Section 3. Adjustment of SHWR for Incentive Purposes: In the event of an increase in the standard hourly wage rates after the date of this Agreement, but prior to September 1, 1965, the agreement which shall succeed the Main Agreement now in effect shall not contain the provision now contained in Section l(b) of Article IV, but the hourly earnings (not including overtime compensation or shift premiums, but including the Adjustment Factor provided for in Section 2 of this Agreement) of each Employee whose job shall be paid on an incentive basis, for each hour for which he shall be paid incentive earnings, shall be increased by the percentage by which the standard hourly wage rate for his job resulting from such increase exceeds the standard hourly wage rate which is in effect for such job on the date of this Agreement.

Section 4. SHWR Incentive Base: The incentive compensation for a particular job shall no longer be computed in accordance with the provisions of Section 2 and Section 3 of this Agreement after the incentive base rate for such job shall be the standard hourly wage rate applicable to such job.

Section 5. Incentive Plans

(a) Conversion of Incentive Plan: Notwithstanding the provisions of Article V of the Main Agreement as amended by this Agreement, the Management shall review each existing incentive plan the incentive base rates under which are not the applicable standard hourly wage rates and shall replace such plan with a new incentive plan the incentive base rates under
which are the applicable standard hourly wage rates then in effect, in accordance with the procedure set forth in this Section.

(b) Earnings Obligation: Except as otherwise provided in this Section, where an existing incentive plan shall be replaced with a new incentive plan in accordance with the provisions of this Section, the new incentive plan (including all guarantees, allowances and payments in connection with such plan) shall meet the requirement that, over a past representative test period, the average hourly earnings of all the Employees assigned to a job under such new plan would not have been less under such new plan than the average hourly earnings received by all the Employees assigned to that job during such period under the incentive plan which it replaced.

(c) Article V Section 2(c), Changes: Where the Management incorporates in a new incentive plan established in accordance with the provisions of this Section adjustments then being made by reason of any of the changes or other events specified in Section 2(c) of Article V of the Main Agreement as amended by this Agreement, such new plan (including all guarantees, allowances and payments in connection with such plan) shall meet the requirements set forth in such Section 2(c).

(d) Definition: As used in this Section 5, the term "average hourly earnings" means the average hourly earnings (not including overtime compensation or shift premiums, but including the adjustments provided for in Section 2 and Section 3 of this Agreement) for all hours worked on an incentive basis; and the term "past representative test period" means, in the absence of special circumstances, the period of three months next preceding the date on which an existing incentive plan shall be replaced by a new incentive plan in accordance with the provisions of this Section.

(e) Procedure for Instituting New Plan Incentives: Each new incentive plan established in accordance with the provisions of this Section shall be put into effect in accordance with the procedure set forth in subparagraphs (1), (2) and (3) of Section 2(d) of Article V of the Main Agreement as amended by this Agreement. If such new plan shall become the subject of a grievance, the grievance shall be determined in accordance with the principles set forth in this Section. The Company and the Union will appoint a joint committee to review such grievances which have not been disposed of in Step No. 4 of the grievance procedure.

(f) Review and Replacement: The review and replacement by the Management of incentive plans in accordance with this Section shall be commenced promptly after the date of this Agreement and shall be continued until all of the Company's incentive plans shall have been revised in accordance with the provisions of this Section. The Management at each Plant will from time to time advise the Union there concerning the progress of the program.
Section 6. Effective beginning June 4, 1956, the paragraphs numbered (1) and (2) of Section 1 of Article IV of the Main Agreement are eliminated and Article V of the Main Agreement is amended to read as set forth in full in the appendix to this Agreement.*

Section 7. Old Plan Adjustments: If prior to the time when an existing incentive plan shall be replaced with a new incentive plan under the provisions of Section 5 of this Agreement an existing incentive wage rate shall be adjusted under the provisions of Article V of the Main Agreement, the adjustment shall be made in accordance with the provisions of that Article prior to its amendment by this Agreement.

Section 8. This Agreement shall continue in effect until August 1, 2004.

BETHLEHEM STEEL CORPORATION,

by

John L. Kluttz
Vice President, Union Relations

UNITED STEELWORKERS OF AMERICA,

by

George Becker
President

Leo W. Gerard
Secretary-Treasurer

Richard H. Davis
Vice-President (Administration)

Leon Lynch
Vice-President (Human Affairs)

Thomas M. Conway
Chairman

Ernest R. Thompson
Secretary
Equitable Compensation: This will confirm our agreement as to what constitutes "equitable compensation" for the purposes of the incentive provisions of Section 2 of Article V of the basic labor agreement. The Union recognizes that the cost impact of the new formula is such that it should be introduced gradually over a substantial period of time. Accordingly, the parties have agreed that the new formula will apply only in the event new incentives are hereafter established in accordance with the provisions of Section 2 of Article V of the basic labor agreement, except that it is understood that the new formula will not apply where an existing incentive plan is extended to like equipment. In the meantime, lower formulas have been agreed to which will apply to all incentives heretofore and hereafter established in accordance with the provisions of the May 25th Agreement. The agreement between the parties with respect to the foregoing is set forth below.

1. Meaning of "Equitable Compensation"

   (a) In respect of any incentive established after March 12, 1960, under Section 2 of Article V of the Agreement dated January 4, 1960, between the parties the term "equitable compensation" as used in that Section means that each incentive based on standard hourly wage rates shall be related to maximum possible production as determined by the maximum possible output of the machinery or other equipment used or by the maximum possible output of a fully qualified Employee, whichever is applicable, as follows:

      (1) Direct Incentives: In the case of jobs which directly affect the rate of output and where the output may be measured economically and with reasonable accuracy, such incentive shall be designed to provide compensation in excess of the standard hourly wage rates applicable to such jobs in direct proportion to the amount by which actual output exceeds 72 1/2% of maximum possible output; and

      (2) Indirect Incentives: In the case of jobs which do not directly affect the rate of output or where output cannot be measured economically and with reasonable accuracy, such incentive shall be designed to provide compensation in excess of the standard hourly wage rates applicable to such jobs in direct proportion to 67% of the amount by which actual output exceeds 72 1/2% of maximum possible output.

   (b) Maximum Production: Subject to the provisions of subparagraph (a) above, each incentive based on standard hourly wage rates shall, beginning March 13, 1960, conform with subparagraph (a), with the percentage in clause I thereof and the second percentage in
clause 2 thereof changed to 74%; and each such incentive established prior to March 13, 1960, shall for the period prior to that date conform with subparagraph (a), with the percentage in clause 1 thereof and the second percentage in clause 2 thereof changed to 75% and with the first percentage in clause 2 thereof changed to 50%.

(c) Application of the provisions of subparagraph (a) and subparagraph (b) above to any incentive shall, as of the date of such application, reduce any incentive adjustment established in connection with such incentive to the amount which would have been established as an incentive adjustment if the incentive had been based on the application of subparagraph (a) or (b) hereof, as the case may be.

2. **Certified Grievances:** The foregoing provisions settle all pending incentive grievances, including those which deal with new incentives established under the May 25th Agreement with the exception of those grievances which, on or before June 1, 1960, have been certified in writing to the Manager of Labor Relations of the Company as not having been so settled. The certification of those grievances shall include a statement as to each grievance giving (a) the Plant at which the grievance arose, (b) the grievance number, and (c) the specific issues on which the Union seeks further discussion. Grievances so certified to the Manager of Labor Relations shall be reviewed by representatives of the Company and the Union designated for the purpose, who shall endeavor to dispose of them and who shall prepare a record of the results of their discussions. Any grievance filed under the May 25th Agreement or under Section 2 of Article V of the basic labor agreement with respect to a period prior to March 13, 1960, which shall not be disposed of by those representatives shall be settled through arbitration on the basis set forth in the last part of subparagraph 1(b) hereof.

3. **Time Limits:** A grievance filed with respect to a new incentive established pursuant to the provisions of Section 5 of the May 25th Agreement may be filed at any time after 30 days but not later than 180 days after the date of the new incentive.

4. **Incentive Adjustments:** In response to requests from representatives of the Union, the Company has adjusted, and will in the future adjust, each incentive adjustment to include the effect of any general increases in standard hourly wage rates effective after the date of its establishment but prior to September 1, 1965.

**BETHLEHEM STEEL CORPORATION,**

by

John L. Kluttz

*Vice President, Union Relations*

**UNITED STEELWORKERS OF AMERICA,**

by

George Becker
APPENDIX 10

MEMORANDUM OF UNDERSTANDING CONCERNING APPRENTICESHIP TRAINING

1. Crafts—Training Periods—Job Classes

(a) The crafts involved, the training periods and the job classes therefore are set forth in the Basic Labor Agreement. The Company may provide training methods for advancement to craft status other than through the apprenticeship training program.

2. Retention of Apprentices During Periods of Reduced Operations

(a) Except where circumstances outlined in Subparagraphs 2(d)(6), (7) and (8) are currently applicable, an apprentice who has completed at least 25% of the total hours required to complete the apprenticeship training program in which he is enrolled at the time that he would, by reason of the applicable seniority provisions, be laid off or demoted to a lower rated job, shall be afforded the opportunity to and be required to make a binding election either to:

(1) be laid off, demoted and recalled in accordance with all applicable seniority provisions; or

(2) be placed in special training status and thereafter identified as Apprentice-Special Training and, in lieu of the rate of pay as would otherwise be determined under the Apprentice job Class Schedule set forth in Appendix 2B of this Agreement
applicable to him, be paid at an hourly rate equal to 1/40 of 110% of the sum of the
state unemployment compensation and Weekly Benefits under the SUB Plan he would
have received had he elected to be laid off without regard to any other SUB eligibility
requirements, provided that for any week he is engaged in classroom and/or on-the-job
type assignments for some but less than 40 hours, he shall be paid such hourly rate for
a minimum of 40 hours less any hours he did not participate in such assignments for
reasons other than the failure of the Company to make such assignments available or
for just cause. The provisions of the Agreement relating to Sunday premium and shift
differential shall not be applicable.

(b) An Apprentice-Special Training will be entitled to the provisions of the Basic
Labor Agreement, and will be normally scheduled for 5 consecutive 8-hour days of
training (classroom and/or on-the-job type assignments) per week. He will be expected
to complete such daily and weekly hours of training which are maximums and will not
be exceeded. Further, in weeks containing a holiday, an apprentice will not be scheduled
for training on the holiday.

(c) Such classroom and on-the-job assignments as he may be called upon to perform
shall be consistent with the apprenticeship training program in which he is enrolled;
provided, however, that such assignments shall not deprive any other Employee of
employment to which such other Employee would otherwise be entitled.

(d) An apprentice who elects to be placed in such layoff training status will only be
removed from such status for any of the following:

1) upon recall to active employment as an apprentice in accordance with the
applicable seniority provisions,

2) upon satisfactory completion of his apprenticeship training program,

3) upon suspension of the apprenticeship retention program due to a drop in
the financial position of the SUB Plan below 35%,

4) upon unsatisfactory performance, including failure to report without just
cause for scheduled hours of training,

5) upon changing his election with the mutual consent of Management,

6) upon the abandonment of the craft within any Plant as the result of a
shutdown of the Plant, a portion thereof, or discontinuance of a product line,

7) upon the substantial reduction in the number of required craftsmen within
any given craft as a result of technological changes in steelmaking processes,
practices or equipment, or

8) upon the mutual agreement between a representative of the corporate office
of the Company and the International Union that such special training status within a
given craft or crafts should be discontinued or suspended.

An apprentice who is removed from special training status in accordance with 2
d(d)(2), (3), (4), (5), (6), (7), or (8) as stipulated above will be placed on layoff and re
called in accordance with all applicable seniority provisions.

3. Apprenticeship Committee

The Apprenticeship Committee composed of an equal number of representatives of the
Company and Union shall be continued.

The Committee shall review the contents of the existing apprenticeship programs for the
purpose of (1) developing uniform standards relating to educational attainment through
classroom or similar study by apprenticeship periods, (2) developing uniform standards
relating to on-the-job work achievement and the time schedules of required experience by
type and/or class of work by apprenticeship periods, and (3) developing uniform standards
for determining the level, if any, of advanced apprenticeship credit to be allocated to
Employees transferring to an apprenticeship program from a related job. A report of its
determinations, or a detailed report of the areas of disagreement in the event it fails to arrive
at agreed determinations, shall be presented to the Chairman of the Company Negotiating
Committee and the President of the Union who shall resolve such disagreement.

The agreed standards shall thereafter be adopted by letter agreement between the
Chairman of the Company Negotiating Committee and the President of the Union, and shall
provide (a) the criteria for advancement from one apprenticeship period to the next, and (b)
the criteria for determining the level, if any, of advanced apprenticeship credit to be
allocated to Employees transferring to an apprenticeship program from a related job.

Pending the development of the aforementioned standards and their adoption, the
existing apprenticeship programs and such new programs as may be added shall continue.

The parties recognize that certain apprentices are presently in layoff status or are
working on other jobs and have been unable to complete their training. However, the recall
of laid-off Trade or Craft Employees and the bidding of future Trade or Craft vacancies
through cross training of existing Trade or Craft Employees is a higher priority. To this end,
the Committee will determine if outside funds may be available from other sources for such
training.

The parties anticipate that the retrieval of presently contracted out work and the
possible utilization of the combined and/or expanded Trade or Craft concepts will generate
a need for skills training and eventually new apprenticeship programs. The Apprenticeship
Committee shall develop recommendations concerning new apprenticeship programs that
address the training and skills requirements of the combined crafts and/or expanded craft
occupations rather than the numerous fragmented apprenticeship programs presently in
existence.

APPENDIX 11

MEMORANDUM OF UNDERSTANDING
ON JOB CLASSIFICATION

Special Job Classification Committee

The parties agree that the job Classification Program for hourly rated production and maintenance jobs and the job Description and Classification Manual (currently the August 1, 1971 job Description and Classification Manual and hereinafter called the "Manual") provide an effective system of hourly compensation for bargaining unit production and maintenance Employees.

In order to insure the continued effectiveness of the Manual in the face of the changing economic and market conditions now facing the Company and the Union, to accommodate the new technologies and environmental factors which are being introduced into the Plants, and to effectively utilize our bargaining unit Employees, the parties agree to continue the Special job Classification Committee. This Committee will be responsible for the following:

1. To conduct periodic reviews of the Basic Factors and Instructions for their application incorporated in Section V of the Manual. These reviews shall include recommendations to the Co-Chairman of the Bethlehem Steel Negotiating Committee for mutually desirable modifications to the Manual to reflect changed work place conditions and technology including work methods or procedures, products, equipment, manufacturing processes or methods, materials processed, and statistical process and quality control. In addition, the Committee will periodically examine Manual modifications which may be necessary to recognize appropriate factors and weighting for bargaining unit jobs which have absorbed duties historically performed by supervisory personnel. In conducting these reviews and making its recommendations, the parties recognize that resultant modifications shall be applicable solely to the classifications of new or changed jobs. Section 11E of the Manual will continue to apply.

2. With regard to job combinations that merge any job duties of maintenance and/or service and/or operating functions, the local parties may mutually agree to develop and install such positions, subject to the review and approval of the Special job Classification Committee.

The Special job Classification Committee shall consist of the Director of the International Union's Collective Bargaining Services Department and one (1) International
Union Headquarters representative and the Company's Manager - Operations Analysis and one (1) representative of the Company designated by the Company's Co-Chairman. The Committee will review the proposed final draft of its work with representatives of the affected local parties, prior to implementation.
MEMORANDUM OF UNDERSTANDING
CONCERNING TRADE AND CRAFT JOBS

In order to address Agreement changes affecting trades, crafts, and the accompanying skills training needs, the Special job Classification Committee (hereafter called "the Committee") will oversee the following changes:

1. Trade or Craft job Consolidation Options

   The parties recognize that in order to recover previously contracted out work and become more cost competitive, the local parties may desire to combine, expand and/or allow limited overlap of duties of traditional Trade and Craft jobs. To assist the local parties, sanction these efforts, and standardize the procedures and methods the Agreement provides the following Benchmark Trade or Craft combinations agreed to by the parties:

   BETHLEHEM STEEL

   NEW TRADE OR CRAFT COMBINATIONS
   BENCHMARK JOBS

<table>
<thead>
<tr>
<th>Job Class</th>
<th>CR Add</th>
<th>Total Job Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ironworker</td>
<td>19</td>
<td>2</td>
</tr>
<tr>
<td>Armature/Motor Repair - Technician</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Motor Inspector Special</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Millwright-Special</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Crane Millwright-Special</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Lineman/Wireman</td>
<td>18</td>
<td>2</td>
</tr>
<tr>
<td>Electronic/Instrument Technician</td>
<td>22</td>
<td>2</td>
</tr>
<tr>
<td>Pipefitter-Special</td>
<td>17</td>
<td>2</td>
</tr>
</tbody>
</table>

2. The Committee may develop additional combined, expanded, or limited overlap Trade and Craft benchmark jobs along with implementing guidelines and procedures. These guidelines and procedures will include (but not be limited to) job duties, classifications, skill requirements of the job, entrance methods and requirements, and training programs necessary to successfully achieve full utilization of the agreed to
position. The Committee will also provide procedures to assure that all Consent Decree issues are addressed, prior to permanent establishment of any of these new positions. With regard to job combinations that merge any job duties of maintenance and/or service and/or operating functions, the local parties may mutually agree to develop and install such positions, subject to the review and approval of the Special job Classification Committee.

3. Where the local parties agree, they may install one or more of the benchmark positions as replacements or additions to existing Plant job structures. The local parties may vary the duties of these new positions to meet requirements that are unique to that location; however, any such modifications must meet the approval of the Committee.

4. Where the scope of a proposed Trade and Craft combination, expanded, and/or limited overlap job includes work that another United Steelworkers of America represented bargaining unit at that location has clear jurisdictional rights, the jurisdictional issues must be resolved, prior to implementation of the new job.

5. All new combined, expanded and/or limited over-lap Trade and Craft jobs shall be treated as Trade or Craft jobs for all purposes under the Labor Agreement.

6. If local parties want to establish a new combined, expanded, and/or limited overlap Trade or Craft job, that the Committee has not already established, they may propose such job to the Committee for approval. In these cases, the Committee will have authority to agree, modify or reject such proposed position.

7. One or more of the benchmark combined, expanded, and/or limited overlap Trade and Craft jobs may be installed by the Company, at its discretion, in a new major facility, such as a continuous caster, provided the same job was already in place in a unit or facility whose Employees were affected by the installation of the new facility.

8. The Committee will review all combined, expanded, and/or limited overlap Trade or Craft jobs, presently in use, for the purpose of evaluating their potential as "benchmark" positions.

9. In each location where a new combined, expanded and/or limited overlap Trade or Craft job is installed, the local parties, on an as requested basis, shall be entitled to information related to: (1) the financial savings expected from the installation of the position, and (2) an assessment of the potential job losses/gains from the installation of the position.

**MEMORANDUM OF UNDERSTANDING CONCERNING BARGAINING UNIT CREW CHIEFS**

1. Plant Management may utilize Crew Chiefs to further the objective of attaining maximum utilization of facilities and maintenance crafts to promote orderly operations.
Crew Chiefs will be selected from the bargaining unit involved, and remain in the bargaining unit.

The prerequisites and responsibilities of the Crew Chief will include:

(a) Proficiency in the jobs within the crew (except for composite multiple craft crews) which they are directing (except for certification to perform pressure vessel or code welding).

(b) Regular participation in and inspection of the work tasks in addition to the responsibilities of directing crews and performing administrative services.

(c) Planning the safe and efficient work procedures, conducting safety contacts and inspections and expediting material for particular jobs as assigned.

(d) Assignment of work to crew members.

(e) Instruction of crew members.

(f) Coordination of the assigned jobs including supporting occupations requested or assigned to assist on that job.

(g) Communications with the crew, supervision and related occupations.

(h) Written and/or reporting to supervision including progress reports, identification of problems, recommendations and explanations as required, but excluding disciplinary action.

(i) The Crew Chief job shall receive a standard hourly wage rate equal to three (3) job classes higher, plus applicable incentive earnings, than the highest job class directed within the unit for which the Crew Chief must be qualified and/or required to perform, or a rate of pay consistent with an existing local agreement or practice.

2. The procedure for selection and implementation of Crew Chiefs shall be as follows:

(a) Bids for the positions of Crew Chief will be accepted from employees who have satisfactorily completed a voluntary leadership training program, which will be offered on a seniority basis and provided at Company expense during regularly scheduled working hours. The employee shall receive his regular rate of pay for hours spent in such training.

(b) The position will be bid within the craft unit or department involved.

(c) Selection in accordance with provision 2 (a) of this Appendix will be based on
criteria set forth in the seniority (promotion) provisions of the Basic Agreement.

(d) Periodic performance reviews will be conducted by supervision with input from the appropriate Grievance Committeeman or his designee, as requested or required.

(e) Should an employee be removed from the Crew Chief job, the employee shall be reassigned to his incumbent position or to whatever job his seniority entitles him to hold. The removal of an employee from the Crew Chief job will be subject to the grievance procedure.

(f) Upon approval of this procedure, existing Group Leaders may become Crew Chief on the same terms and conditions as set forth under this Agreement.

(g) Crew Chief jobs will not provide super seniority for purposes of retrogression or layoff.

(h) Non-acceptance of leadership training initially by more senior employees will not preclude training at a later date when Plant Management again offers the voluntary leadership training program.

(i) This Agreement may be used to supplement but not supplant the current leader convention and rates of pay at locations where it is currently in place.

(j) This Agreement will be implemented for the duration of the Basic Labor Agreement.

APPENDIX 12

MEMORANDUM OF UNDERSTANDING CONCERNING MULTIPLE RATED JOBS

August 1, 1999

This is to confirm our agreement with respect to non-craft multiple rated jobs. All non-craft multiple rated jobs shall be placed into the appropriate categories set forth below:

Categories—Non-Craft Jobs

(1) Multiple rated jobs which are given a code and classification of A-Base or B-0.4 or C-0.8 in Factor 2-Employment Training and Experience.

(2) Multiple rated jobs which require training above the level set forth in (1)
above and for which there is not an adequate training position in the promotional sequence.

(3) Multiple rated jobs which require training above the level set forth in (1) above and for which there is an adequate training position in the promotional sequence.

Jobs falling in category (1) above shall cease to be multiple rated jobs and shall be paid for at the A rate of the job, effective as of the date of the Agreement.

Jobs falling in category (2) above shall remain in effect as multiple rated jobs.

Jobs falling in category (3) above shall remain in effect as multiple rated jobs but time worked after the first 1040 hours on the related training position in the promotional sequence shall be credited as hours worked on the multiple rated job for purposes of determining the rate of pay to be paid when an Employee is assigned to fill a vacancy in the multiple rated job.

BETHLEHEM STEEL CORPORATION,

by

John L. Kluttz
Vice President, Union Relations

UNITED STEELWORKERS OF AMERICA,

by

George Becker
President

Thomas M. Conway
Chairman,
Union Negotiating Committee

APPENDIX 13

MEMORANDUM OF UNDERSTANDING ON THE REVITALIZATION OF TRADE AND CRAFT TRAINING

The parties are committed to the establishment and preservation of a highly skilled, 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 preset maintenance work force considering such future changes in maintenance requirements that can be identified and developing the specific information described below. The Study will commence immediately upon the establishment of the Committee.

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 who are qualified to enter apprentice programs in the plant's work force;

5. Identify potential avenues by which employees can receive basic education training to qualify for apprenticeship programs;

6. Evaluate the appropriateness of existing and new craft training programs and the necessity of developing additional apprenticeship and other craft training programs, giving due considerations 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 craft training;

9. Examine the Plant's projected new construction and major reconstruction,
replacement and rehabilitation programs during the next five (5) years to assess the potential involvement of existing Plant maintenance workforces on such work;

10. To the extent practicable and relevant, assess maintenance training practices at the plant under this review versus those of other steel producers represented by the Union; and

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.

C. **Maintenance Training Plan**

Within six (6) months from the date of its establishment, the JMPC will submit a report to the **Union and Company Chairmen of the Negotiating Committee** 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 long-term future maintenance needs without excessive overtime and in accordance with the contracting-out provisions of the BLA and in light of modern work practices that have been implemented.

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 **Union and Company Chairmen of the Negotiating Committee**.

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 Union and Company Chairmen of the Negotiating Committee**

Within sixty (60) days of receipt of the report submitted by the JMPC, the **Union and Company Chairmen of the Negotiating Committee** 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 **Union and Company Chairmen of the Negotiating Committee** disagrees, the dispute will be promptly referred to arbitration pursuant to procedures to be agree upon by the **Union and Company Chairmen of the**
Negotiating Committee. The dispute will be resolved on the basis of a "final offer" submission by the parties at a hearing. The MTP arbitrator will determine which of the submissions best meets the guidelines and goals spelled out in Section C of this Memorandum of Understanding.

The MTP arbitrator shall have the power to determine the procedures pursuant to which the dispute is referred to arbitration and the hearing is conducted. The MTP arbitrator is Rolf Valtin.

E. Preservation of Plan

Except where the training or continued training of additional trade and craft employees in the plant 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.

F. Regional Maintenance Forces

Once the trade and craft forces reach the levels prescribed by the MTP, the Union and Company Chairmen of the Negotiating Committee, or their designees, shall review the need to establish regional maintenance forces to handle surge work. Where mutually agreed, under-utilized maintenance forces may be used in lieu of contracting out such surge work for an employer not covered by this basic labor agreement.

APPENDIX 13-1

August 1, 1999

Mr. Thomas M. Conway, Chairman
Union Negotiation Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Conway:

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 13.

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 13.

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 Article X, Section 12(c) 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 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 28-5-(b) 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 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 40 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 3 of the complaint and grievance procedure. Such grievance, if appealed to the Impartial Umpire, shall be expedited by the Impartial Umpire 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,
BETHLEHEM STEEL

CORPORATION

__________________________________  John L. Kluttz
Vice President - Union Relations

CONFIRMED:

Thomas M. Conway, Chairman
Union Negotiating Committee
APPENDIX 14

MEMORANDUM OF UNDERSTANDING
DEALING WITH GRIEVANCE
PROCEDURE AND ARBITRATION

On a quarterly basis the Company shall transmit to a headquarters' representative of the International Union available reports containing the statistics of the grievance procedure at each Plant and at each step of the grievance procedure above Step 2, including expedited and permanent arbitration.

A copy of the Company's statistical record concerning the experience at each Plant which utilizes the expedited arbitration procedure provided in this Agreement shall also be furnished to the Union on a quarterly basis. The record shall include the 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.

In an effort to improve the effectiveness of the grievance procedure and to enhance the parties' ability to resolve problems in all steps on a mutually satisfactory basis, it is recognized that this objective may most effectively be accomplished if the individuals primarily responsible for the handling of the grievances are well versed in the skills and procedures designed to bring these desirable results to fruition in a spirit of mutual confidence and trust. Arrangements will be made for designated Local Union representatives and Labor Relations representatives at each Plant, to attend a program designed to improve the complaint and grievance skills of these participants. The costs of such a program (jointly developed by the International Union and the Company) will be borne by the Company.

In a further effort to improve the effectiveness of the grievance procedure and to enhance the parties' ability to resolve problems before they enter the grievance procedure, the parties agree to provide training at the Plant for all foremen, superintendents, Assistant Grievance Committeemen and Grievance Committeemen who are involved in contract administration. This training will be specifically provided to ensure the parties are well versed in the skills and procedures designed to bring satisfactory results. The cost of such a program (jointly developed by the International Union and the Company) will be borne by the Company.
There shall be joint departmental reviews with the Union representatives/management/supervisors of the intent and purpose of the Steps Nos. 1 and 2 complaint and grievance procedure (including their responsibility and authority under the Labor Agreement) by the Grievance Committee Chairman and Manager of Human Resources or the Superintendent of Labor Relations in order to reaffirm the local parties' mutual commitment to resolve complaints through the existing procedural provisions at the earliest possible step in the procedure.

At each Plant experiencing problems in the processing of grievances, a meeting will be held by representatives of the Company and the Union to review ways to improve the grievance handling at the Plant. The Company representatives will include, as a minimum, the Superintendent of Labor Relations at that Plant or his designated representative and the head of each department or his designated representative. The Union representatives will include the Chairman of the Grievance Committee of each Local Union or their designated representatives and the Grievance Committeemen from each department or his designated representative. The primary purpose of these meetings is not to resolve specific grievances but to determine ways to facilitate the processing of grievances at the Plant.

The Union has alleged that at some Plants, Management's actions from time to time have resulted in repeated violations of some provisions of the Labor Agreement for which the only effective remedy would be cease and desist orders. In order to determine the extent of such alleged repeated violations, it is agreed that at each Plant where the Local Union believes such problems exist and so notifies the Superintendent of Labor Relations at the Plant, the Superintendent of Labor Relations will review such allegations with the Chairman of the Grievance Committee in an attempt to resolve any such problems uncovered by the review. If such local parties are unable to satisfactorily resolve this matter in a reasonable period of time, either of these parties may request the Special Grievance Review Committee to review this problem and make recommendations to the local parties for its resolution, including cease and desist orders and possible monetary penalties.

**MEMORANDUM OF UNDERSTANDING 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:

1. 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.

2. 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.

3. 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:

   a. Examination of the causes for the backlog or delays.

   b. 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.

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

It is the parties' 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.

**MEMORANDUM OF UNDERSTANDING 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 the parties agree to the following:

1. 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.

2. Where grievances concerning suspensions of more than five days or discharge are to be arbitrated, they shall be arbitrated in the regular arbitration procedure; provided, however, that the Company shall provide that such grievances will be docketed, heard, and decided within 60 days of appeal unless the impartial umpire determines that circumstances require otherwise.

3. 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.

4. To assure implementation of this understanding, the representatives of the 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.

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.

During the term of the Basic Labor Agreement, the procedure set forth below shall be applicable to Plants of Bethlehem Steel Corporation subject to agreement of the Local Unions at such Plants.

This Procedure will not be applicable to, and shall not modify or amend the terms of, the Basic Labor Agreement as applied to any other Plants of Bethlehem Steel Corporation. Any suspension or suspension which was converted to discharge prior to July 1, 1986, at a Plant shall be processed under the terms of the Basic Labor Agreement exclusive of this Procedure.

1. During the period this Procedure is in effect at a Plant, 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 suspension involving any offenses which endanger the safety of other employees or members of supervision or the plant and its equipment. Such offenses shall include, but are not limited to: theft; use and/or distribution on Company property of drugs, narcotics, and/or alcoholic beverages; possession of firearms on Company property; destruction of Company property; threatening bodily harm to, and/or striking, a member of supervision; fighting; and such insubordination as endangers the safety of other employees or members of supervision or the Plant and its equipment. In addition, this Procedure will be inapplicable to a discharge or suspension involving activity prohibited by the provisions of Article XVII of this 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 an Employee is retained at work pursuant to Paragraph 1 and the Employee is the subject of discharge 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 with intent to discharge.

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

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 Basic Labor Agreement.

1. 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 Union 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
   appealed to arbitration or unless mutually agreed to by the parties'
   designated Fourth Step representatives.

3. The Screening Representatives shall mutually select the arbitrator
   (hereinafter "Screening Arbitrator") who will make determinations in
   accordance with this Procedure; provided, however, that the Screening
   Arbitrator shall not be the Impartial Umpire.

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 Union Relations staff, or a designated representative and
   the Superintendent 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 Impartial Umpire.

8. If a grievance is not resolved pursuant to the Procedure, and is later heard before the Impartial Umpire, 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 Union Relations staff. Such agreements shall not serve as precedent nor may they be referred to in any other case.

10. The local parties may mutually agree to a Screening Procedure to screen grievances at Step 3. The above guidelines must be followed if a modified procedure is established, and it shall be implemented only where mutually agreed to by the International Union President or his designated representative and a member of the Company's Union Relations staff.

APPENDIX 15

MEMORANDUM OF UNDERSTANDING ON 
EMPLOYEE AND UNION PARTICIPATION

Section 1. Purpose and Intent

The Union and the Company (meaning herein the Burns Harbor Division, the Sparrows Point Division and the Lackawanna Coke Ovens) 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 is 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 Division 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 the Memorandum must evolve, especially at the Business Division 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 local parties recognize that it may be in their best interest to retain such structures so long as they meet the standards and objectives outlined below.

**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 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 at employees.
G. Understanding the current state of competitiveness and its relationship to "World Class" standards.

H. Reduction of all overhead costs, including managerial, supervisory, and other non-bargaining 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 laws and regulations;

L. Acceptance and support by the Company of the Union and acknowledgment 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 Union representatives (including consultants and advisors) shall have access to financial and operational information that is relevant to the development and implementation of the Business Plan (it being understood that, consistent with this Memorandum the Company shall develop and carry out a Business Plan) as well as reasonable access to Company employees and advisors who are responsible for such information. As used in this Memorandum, the term "Business Plan" shall refer to the Company's short-term business plan and long-term strategic and operating plan, including such elements as those involving products, pricing, markets, capital spending, short and long-term cash flow forecasts, and the method and manner of funding or financing the Business Plan. Without limiting the foregoing, the Company shall provide the appropriate Union representatives with early practicable notification of any contemplated significant transactions involving mergers, acquisitions, and continuing updates regarding dispositions, joint ventures, and new facilities to be constructed or established by the Company, its subsidiaries, joint ventures, or other entities in which the Company has a financial interest. 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 parties; 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 limiting the comprehensiveness or continuity of the training and education required by this Memorandum, such activities will, unless otherwise agreed to, include 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 and Coordinators and Assistants: five (5) days per year.

2. All members of the Joint Area Committees and the Joint Problem Solving Teams: twelve (12) days per year.

3. All other leadership figures of the local parties to this Memorandum: five (5) days per year.

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, 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, 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. The Co-Chairmen of this Committee will be the Co-Chairmen of the Bethlehem Negotiating Committee. The other members, as the parties shall agree, will be the President and Chief Operating Officer of the Company, the Presidents of the Burns Harbor and Sparrows Point Divisions and the District Directors for Districts 31, 14 and 8 unless one of these District Directors is serving on a similar committee at another steel company. If any of the designated District Directors cannot serve on the Committee, the Union Co-Chairman of the Negotiating Committee shall appoint an International Staff Representative from the respective District who is serving on the respective Joint Leadership Committee at the operation.

2. Role of the Partnership Committee

a. The Partnership Committee shall:

   (1) be responsible for fostering an overall environment
which encourages the achievement of the objectives of this Memorandum, and

(2) 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 5.B.5.b. ("Workplace Redesign") of this Memorandum, including but not limited to any proposed plans for restructuring the workplace; issues involving the effects of technological change referred to the Partnership Committee pursuant to Section 5.B.5.c. (4) ("Union Joint Decision-making Authority with Respect to Effects of Technological Change") of this Memorandum; and significant issues that may arise relative to the implementation of the Partnership Programs at the Business Divisions.

b. In the event that either the Burns Harbor Division or the Sparrows Point Division enter into an approved Work Redesign Plan, as defined in Section 5.B.5.b. of this Memorandum, the Union members of the Partnership Committee shall have joint decision-making authority with respect to the Business Plan as defined above as well as significant technological changes as defined in Section 5.B.5.c.(5) of this Memorandum, and the provisions of Section 5.B.2. below shall thereupon become effective.

3. Meetings

a. The Partnership Committee shall hold its meetings in Bethlehem, Pennsylvania (or at another location as agreed), before or after, and in conjunction with the regularly scheduled Business Plan Review Meetings referred to immediately below. These meetings will be for the purpose of reviewing and ensuring progress in the development and implementation of Partnership programs. A review and discussion of the current business status and future outlook for both Business Divisions 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 Plan Review Meetings normally held in Bethlehem, Pennsylvania, between the President and Chief Operating Officer, the Presidents of the Burns Harbor and Sparrows Point Business Divisions, and other managers. Nothing in this Memorandum shall permit the Union members of the Partnership Committee to participate in the portion of such Business Plan 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 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 monthly Business Plan Review Meetings in Bethlehem 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: the Business Plan; technological changes and plans; manpower Tanning; 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, 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 Business Divisions and the Union.

6. Access to 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 Board a Directors at appropriate times on matters as mutually agreed upon and 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 in 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-Chairmen of the Bethlehem Negotiating Committee. Union participants at the meetings shall include the local union presidents (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 meetings by the Union, it being understood that no more than a total of thirty (30) 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 Employee and Union Participation 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 is necessary to engage the services of consultants in connection with the Union-only training provided for in this Appendix, the Company will pay 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 both the Burns Harbor and Sparrows Point Divisions (with appropriate arrangements for the Lackawanna Galvanizing and Lackawanna Coke operations) a Joint Leadership Committee ("Leadership Committee"). The members of this Committee at each Division, as the parties shall agree, will be the President, the Vice President of Operations, Vice President of Marketing, the Manager of Human Resources, and the Superintendent of Labor Relations for the Company, and the appropriate District Director, one (1) International Staff Representative, and one or more of the President(s) of the Local
Union(s) for the Union. If the appropriate District Director is serving on a similar committee at another steel company, the Union Co-Chairman of the Negotiating Committee shall appoint an International Staff Representative from the respective District to the Leadership Committee. The Division President 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 Committee shall work toward achieving improved productivity levels throughout the Business Divisions, bearing in mind the competition in the products produced at the Business Units. To this end, the Leadership Committees shall have the ongoing responsibility to ensure that they and the Joint Area Committees (established below):

   (1) Understand and communicate the current state of competitiveness and its relationship to "World Class" standards.

   (2) Identify areas and activities for special emphasis on improvement, and work with the appropriate Joint Area Committees implementing plans for such improvements.

   (3) Identify and address inter-departmental, inter-divisional or other barriers which are impeding improvement.

   (4) Monitor the management of employees available as a result of productivity improvements and the value received from their efforts.

   (5) Establish guidelines and budgets for partnership programs.

   c. As set forth above, in the event that an approved Work Redesign Plan is entered into at either the Burns Harbor or Sparrows Point Business Division and the Union members of the Partnership Committee thereby receive the joint decision-making authority referred to in Section 5.A.2.b., the Leadership Committees shall also establish Key Performance Indicators (KPI's) for Business Unit accomplishment
and monitor progress towards these KPI'S. One of these KPI's will be quality tons per man-hour. This KPI could be improved by increasing tons or reducing man-hours or both.

3. Meetings

The 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 and 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 Division Business Plan including significant issues and actions impacting the current Division 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 Division and performance compared to those plans; safety and health performance; activities and needs of any 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 and future improvement programs jointly established pursuant to the Labor Agreement and ensure they are consistent with the objectives of this Memorandum.

b. Workplace Redesign

(1) Authorization

Either at the request of the Partnership Committee or by decision of the Leadership Committee (which shall include the assent of a majority of the Union members of the Leadership Committee), the Leadership Committee may decide upon a Workplace Redesign
Program affecting the bargaining unit. An "Approved Work Redesign Program" within the meaning of this Memorandum is a Workplace Redesign Program 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 and excluded personnel from the plant or facility. Approval must be obtained from the Partnership Committee (which shall include the assent of a majority of the Union members of the Leadership Committee).

(2) Required Elements

Any Workplace Redesign Program 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; reduce substantially the level of 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

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

(1) Advance Notice.

The Company shall provide the 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 now or revised information necessary to full and current understanding of the proposed change. In the case of emergency technological changes, the Company shall give the maximum notice and information possible under the circumstances.

(2) Information.

Within the time periods referred to above, the Company shall give the Leadership Committee the following information:
(a) a description of the purpose and function of the technological change, and how it would fit into existing operations and processes;

(b) the estimated cost of the technology, a cost justification of it, and the proposed timetable for it;

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

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

(e) the anticipated impact on the skill requirements of the work force;

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

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

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

Union representatives on the 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.

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

(3) Union Involvement in Company Decisions to Make Technological Changes.

With respect to any Company decision whether to make a technological change, Union representatives on the 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 an approved Work Redesign Program is entered into at either the Burns Harbor or Sparrows Point Business Division, Union members of the Partnership Committee shall exercise the Joint Decision-making Authority referred to in Section 5.A.2.b.

(4) 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 with their Company counterparts over the effects of Company decisions under the immediately preceding sub-paragraph c. 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. In the event the Joint Leadership Committee is unable to reach agreement with respect to any matter involving the effects of technological change not already provided for by other provisions of the Basic Labor Agreement, either party may submit, such dispute to the Partnership Committee for its consideration and resolution of the matter.

(5) 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.

Any Technological Change Program proposed by a Joint Leadership Committee shall be subject to the approval of the Joint Strategic Partnership Committee.

C. Area Committees

1. The Leadership Committees shall establish Area Committees in specific departments, operational units or divisions for purposes as outlined herein, and as agreed to by the parties. The Area Committee co-chairs shall be the Grievance Committeeperson responsible for the zone in which the Area Committee is established and a Superintendent or Supervisor from the area selected by the Management. Additional members of the Area Committee shall be drawn equally from the Company and Union.
2. 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 work-life. Upon direction of a Leadership Committee, 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. Area Committees shall receive the resources (including problem solving training and information) necessary for them to determine the best solution to specific problems. The 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

By joint agreement, the Leadership Committee or 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

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. 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. Leadership Committees may convene meetings of any employees, Area
Committees, and Problem 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 Division or at other Divisions within and outside the Company. The Partnership Committee may consider appropriate means for disseminating reports of the activities of the Leadership Committees, 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 Article II, Section 3(e) if 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 Leadership, 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.

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 affect 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 on 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.

Section 8. Final Decision Making Authority

A. The parties have entered into this Participation 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 5.A.2.a. and (should it become operative) Section 5.A.2.b., after the Union members of the Partnership Committee 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 the 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 decision 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 by the arbitrator provided for under Article XI of the collective bargaining agreement.

APPENDIX 16

BETHELHEM EMPLOYMENT SECURITY PLAN

The parties recognize that employment security and productivity movements are inseparably linked to a satisfactory level of sustained profitability of the Corporation and the Business Divisions. 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 included in the discussions and to implementation procedures. These agreements are set forth for the Burns Harbor, Sparrows Point and Lackawanna Coke Divisions in separate documents ("Division Attachments"), attached.

A. EFFECTIVE DATE

1. This Employment Security Plan ("Plan") shall become effective at each Business Division for eligible employees, as defined in Paragraph C below, on August 1, 1999.
B. GUARANTEE

1. Employees covered by this Plan will not be laid off during the term of this Agreement except in case of a disaster as set forth below. If a disaster occurs resulting in the layoff of employees, the Plan will be terminated. For the purpose of this agreement, a disaster is defined as:

   a. The permanent shutdown of the Sparrows Point or Burns Harbor Business Division.

   b. The permanent shutdown of the Lackawanna Coke Division, but only as to employees of that Division.

   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 present danger to the Company's continued viability.

2. In addition, in the event of a strike, or work stoppage by employees covered by this Plan, the Plan will be suspended for the duration of such strike or work stoppage. Furthermore, should a strike or work stoppage by others, or a natural disaster, result in a need to reduce planned work activity, the Plan may, by mutual agreement, be suspended until normal operations are restored.

3. In addition, in the event of a breakdown, or a repair downturn or outage which is expected to last for four (4) weeks or more, the Plan may, by mutual agreement, be suspended for affected employees only, for the duration of the breakdown, downturn or outage.

4. In addition, in the event of a significant decrease in the level of plant operations, which for purposes of this Plan may include:

   a. at the Burns Harbor Division, a temporary shutdown of a blast furnace,

   b. at the Sparrows Point Division, reduced operations of the Hot Mill to twelve (12) turns per week or less, or
c. at the Lackawanna Coke Division, a need to operate at longer than a twenty-five hour coking time, employees affected by the decrease in the level of plant operations and eligible for employment security pursuant to Paragraph C of this Plan, may, by mutual agreement, be temporarily scheduled on a thirty-two (32) hour a week basis. Any implementation issues or procedures that arise under this paragraph will be addressed by the Joint Leadership Committee.

5. In the event of a condition which results in 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 ___ of the SUB Plan.

6. In the case of a permanent shutdown of an operating department (listed on Exhibits A, B and C for each Business Division) or a substantial portion of such an operating department, the coverage of the Plan shall be suspended but only in accordance with the following:

a. The appropriate local parties shall 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, 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 claim to employment security until they are subsequently recalled and become eligible for such security pursuant to the provisions of Paragraph C below.

c. Any local agreement which provides a greater measure of employment security than is provided for under this Plan shall continue in full force and effect.
7. For the purpose of this Plan, and except as provided in Paragraphs B.4 and B.5 above, employment security 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 lay off is that provided by applicable law or the Collective Bargaining Agreement, not the earning opportunity set forth in the Plan.

C. ELIGIBILITY

1. All current employees with at least one year of continuous service as of August 1, 1999 at their respective Business Division, are eligible for employment security. Current employees who do not have at least one year of continuous service as of the effective date of this Plan at their respective Business Division, shall be eligible for employment security following twelve (12) months of continuous service. Employees who are laid off in accordance with Paragraph B.6 shall be eligible for employment security once they return to work.

2. All full-time employees hired after August 1, 1999 at a particular Business Division, are eligible for employment security under the provisions of this Plan following thirty-six (36) months of continuous service.

D. PLACEMENT

The placement and rates of pay of employees who would have been laid off but for this Plan shall be determined by mutual agreement of the local parties at each Division.

E. VOLUNTARY LAYOFF PRACTICES AND AGREEMENTS

An employee who elects to be laid off pursuant to a voluntary layoff practice or agreement will not be eligible for the Special Weekly Benefit provided by the new marginal paragraph ____of the SUB Plan. In addition, 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.
F. SAFEGUARDS

If this Plan is terminated once it becomes effective, during the term of this Agreement, the financial position the SUB Plan shall be deemed to be 100% as of the date of such termination and the Company shall be required to accrue liability and make cash contributions as required by the SUB Plan.

Exhibit A - Burns Harbor
To
APPENDIX 16

OPERATING DEPARTMENTS
Coke Ovens Department
Blast Furnace Department
Steelmaking Department
110" Plate Mill Department
160" Plate Mill Department
Slab Mill Department
Hot Strip Mill Department
Cold Sheet Mill Department
Lackawanna Galvanize Products Department

Exhibit B - Sparrows Point
To
APPENDIX 16

OPERATING DEPARTMENTS
Blast Furnace
Steelmaking
Hot Strip Mill
Cold Tin Mill
Cold Sheet Mill
Exhibit C - Lackawanna Coke Division
To
APPENDIX 16

OPERATING DEPARTMENTS
512 - Coke Ovens
330 - Boiler House
332 - Power House

Manning arrangements pursuant to the Lackawanna Plant 1984 Restructuring Agreement will remain in force.

APPENDIX 17

MEMORANDUM OF UNDERSTANDING

ON EARNINGS PROTECTION

1. Set forth below is the "Earnings Protection Plan", as agreed to by the parties.

2. 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.

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 the provisions of the basic Agreement to which this EPP is an appendix.

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 changes 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 situation 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(l), (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 purpose 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. With respect to any benefit quarter, the Chairman of the Grievance Committee, if he so requests, shall be furnished with a list of Employees represented by such Committee who received QIB's and the amount of such QIB's and a list of Employees represented by such Committee who did not receive QIB's because of one of the disqualifications listed in 4a(1), (2) or (3).

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**APPENDIX 18**

**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 1999 Basic Labor Agreement, employment security, pursuant to the terms of Appendix 16, shall become effective.

2. To accomplish gains in productivity and take advantage of attrition to the fullest extent possible, the Joint 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 Joint Leadership Committee. The Joint Leadership Committee may adopt, modify or reject such recommendations. No recommended changes may be implemented except by approval of the Joint 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 committee which may exist) to facilitate changes agreed to pursuant to Sections 2 and 3, to avoid backfilling attrition vacancies.

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 Joint Leadership Committee. The Joint Leadership Committee may adopt, modify or reject such proposed plans and measurements, and no plan may be implemented except by approval of the Joint Leadership Committee.

6. The pace of work force 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 19

MEMORANDA OF UNDERSTANDING

CONCERNING CONTRACTING OUT MATTERS

Trade and Craft Employee Hours of Pay Guarantee

This will confirm our understanding that, for the term of the Basic Labor Agreement, a trade and craft employee in a steel producing 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.

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. A trade and craft 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 for the duration of this Agreement.

Notwithstanding the foregoing, nothing in this guarantee shall prevent Management

* As set forth in the 1969 Incentive Arbitration Award.
Contracting out has been a subject of collective bargaining in a succession of negotiations between the parties. In the 1977 negotiations, a joint Steel Industry-Union Contracting Out Review Commission was created to investigate contracting out practices at steel producing plants and make recommendations to the President of the Union and the Chairman of the Coordinating Steel Companies. The Commission submitted its report on November 7, 1979. The observations and recommendations set forth in the report of the Commission are preserved by reference herein.

APPENDIX 20

August 1, 1999

Mr. George Becker, President
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Becker:

This letter will serve to confirm the following understanding with respect to incentive coverage for new and changed jobs at plants covered by the August 1, 1969 Incentive Award.

Where a new job is established or an existing job is changed or has been changed to the extent that it meets the Guides for Incentive Coverage in Part A of the August 1, 1969 Incentive Arbitration Award, incentive coverage shall be provided for such job in accordance with the Guides for Equitable Incentive Earning Opportunities in Part B of the Award. Such incentives shall be installed and become effective at the earliest practicable date.

Very truly yours,

John L. Kluttz
Vice President
Confirmed:

**George Becker**, President
United Steelworkers of America
APPENDIX 21

LETTER AGREEMENT ON WORK AND FAMILY

August 1, 1999

Mr. Thomas M. Conway, Chairman
Union Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Conway:

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, eldercare 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 the Union at each Business Division 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:

1. Determine the extent of needs at their facility;

2. 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;

3. Consider alternative responses and implement them, where appropriate; and

4. Report findings to their respective Union and Company contacts, who will disseminate the information to other facilities with similar needs that require effective responses.
Sincerely,

John L. Kluttz
Vice President - Union
Bethlehem Steel

Relations
Corporation

CONFIRMED:

______________________________________
Thomas M. Conway
Co-Chairman, Negotiating Committee
APPENDIX 22

ELIMINATION OF
COOPER-McDONALD LETTER

Effective August 1, 1971, the provisions of the Cooper McDonald letter of September 1, 1964, are revoked and replaced by the following procedure regarding the use of the January 1, 1963 job Description and Classification Manual, as amended August 1, 1968 and August 1, 1971, referred to herein as the Manual.

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.

This agreement does not amend or modify the applicable basic labor Agreement, the Manual or any other agreement related thereto except to the extent necessary to implement the provisions of this Agreement.

APPENDIX 23

August 1, 1999

George Becker, President
United Steelworkers of America
Five Gateway Center
Dear Mr. Becker:

This will confirm the understanding reached during our 1999 negotiations concerning the impact of potential governmental wage control legislation (such as the Economic Stabilization Act of 1970) upon wages and employee benefits provided pursuant to collective bargaining agreements between the parties.

It was agreed that, if the payment of any wage or benefit item is delayed or denied, the parties will agree upon a substitute wage or benefit item which is equivalent. If it is not legally permissible to agree upon a substitute wage or benefit item, then a substitute wage or benefit item will be agreed upon when and to the extent that it becomes legally permissible to do so.

Very truly yours,
John L. Kluttz
Vice President
Union Relations

Confirmed:
George Becker, President
United Steelworkers of America
APPENDIX 24

LETTER AGREEMENT ON RETRAINING

The parties recognize the potential, far-reaching impact of permanent shutdowns of facilities and substantial layoffs on employees and the need to continue to cooperate in attempting to lessen this impact.

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 Bethlehem employees who are on layoff status with no reasonable expectation of returning to work as a result of substantial layoffs and/or facility shutdowns. Funding for the comprehensive program was achieved by significant Company cash contributions, totaling over $4,400,000 from February 1983 to date, 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 and cash for the program. Through the joint efforts of the parties, cash 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.

The experience of the parties during the term of their 1993-1999 agreement has convinced them that the existing program must be continued and strengthened. Accordingly, the parties agree to continue the programs set forth in this Appendix, including the cash contributions therein provided, and to renew the terms of this Appendix augmented by a program of rapid response capability which may deal with such matters as literary enhancement, adult education, substance abuse, and participant incentives.

To confirm this understanding between Bethlehem Steel Corporation and the United Steel Workers of America, and for the term of this Agreement, the parties agree to fund such programs and services in an amount not to exceed $250,000 per year. These funds shall be used for retraining programs and other programs jointly sponsored by the Company and the Union. In the administration of this Letter Agreement, the availability or unavailability of government funds or programs shall not detract from the parties' commitment to the continued establishment of programs for affected employees. Should it be necessary to implement a Dislocated Workers' Program for employees affected after August 1, 1993, documented administrative costs incurred to secure federal and/or state grants not reimbursed from grant funds shall be reimbursed by the Company up to $30,000.
The Committee established in 1989 will be charged with the continued administrative responsibility for jointly utilizing funds provided for under the agreement and for jointly seeking and utilizing Federal, State and local funds which are or may become available under this Agreement. Accordingly, in the event of a permanent shutdown of a facility, or a substantial layoff, Company and international Union representatives shall continue to provide assistance to local management and Union representatives to pursue availability of Federal, State or local government funds. If such funds are available, the Company and the Union shall work jointly to implement a comprehensive program to provide: job training or retraining; counseling to affected employees on benefit and wellness programs and outside job opportunities; job search counseling; joint communications and such other joint activities and/or training as may be agreed upon.

In implementing such programs, the parties will continue to cooperate with the involved local union and state employment agency, other appropriate public or private employment agencies, and area employers in an effort to seek job opportunities for affected Employees. In the achievement of this objective, and to provide the best possible program available, counsel and assistance may be obtained from organizations such as the U. S. Department of Labor's Bureau of Labor Management Cooperative Programs, the AFL-CIO's Human Resources Development Institute and from other similar successful programs. To further assist affected employees, both the Company and the Union will designate specific representatives at the time of any such permanent shutdowns of facilities or substantial layoffs to answer questions by employees pertaining to their rights under the Basic Labor Agreement and various benefits programs.

The programs and funding provided for in this Appendix may, by mutual agreement of the International President of the United Steelworkers of America and the Chief Executive officer of the Company, be incorporated in the Career Development Program established in Appendix 5.

APPENDIX 25

1, 1999

Mr. George Becker, President
United Steelworkers of America
Five Gateway Center
Pittsburgh, Pennsylvania 15222
Five Gateway Center

Dear Mr. Becker:

This will confirm our understanding that where local agreements or practices do not now so provide, appropriate plant management and local Union
representatives may agree that trade or craft vacancies in assigned maintenance may be filled from among craft Employees in the same trade or craft who wish to transfer from another unit before such vacancies are filled by less senior graduate apprentices.

All such agreements shall be submitted for approval to the Audit and Review Committee referred to in Appendix 38.

Very truly yours,
John L. Kluttz
Vice President
Union Relations

Confirmed:
George Becker, President
United Steelworkers of America

APPENDIX 26

August 1, 1999

Mr. Thomas M. Conway, Chairman
Co-Chairman, Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, Pennsylvania 15222

Dear Mr. Conway:

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

This will confirm our understanding than 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 subsequently returned for use or sale by the Company, such transaction shall be considered as contracting out and subject to the provisions of Article II, Section 4 of this Agreement.

Very truly yours,
BETHLEHEM STEEL CORPORATION
John L. Kluttz
Co-Chairman, Negotiating Committee

Confirmed:
UNITED STEELWORKERS OF AMERICA
Thomas M. Conway
Chairman, Union Negotiating Committee
United Steelworkers of America

APPENDIX 27

August 1, 1999

Mr. George Becker, President
United Steelworkers of America
Five Gateway Center
Pittsburgh, Pennsylvania 15222

Dear Mr. Becker:

This will confirm our understanding that an employee who on October 1, 1993, October 1, 1995 or October 1, 1997 was eligible to receive a safety shoe allowance pursuant to the August 1, 1993 Agreement, but was not paid such allowance because he was then in inactive status, will receive a voucher for use at local vendor(s) designated by the Company for the full purchase price of one pair of safety shoes for the employee's use at the plant when he returns to active employment. However, an employee shall in no event be entitled to more than one such voucher in any calendar year during the term of the Agreement.

Very truly yours,
John L. Kluttz
Vice President
Union Relations

Confirmed:
George Becker, President
United Steelworkers of America
APPENDIX 28

MEMORANDUM OF UNDERSTANDINGS
ON MISCELLANEOUS MATTERS

1. **Portal-to-Portal Claims:** The understandings between the Company and the Union reflected in the prior Supplemental Agreements concerning so-called portal-to-portal claims are re-adopted for the term of the new basic Agreement.

2. **Vacations During Shutdowns:** In case Management desires to schedule regular vacations for Employees eligible therefor during a shutdown period in the regular vacation period instead of in accordance with the previously established vacation schedules for that year, Management shall give affected Employees 60 days' notice of such intent; in the absence of such notice, an affected Employee shall have the option to take his regular vacation during the shutdown period or to be laid off during the shutdown and to take his regular vacation at the previously scheduled time.

3. 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.

4. **Vacation Scheduling:**
   a. The Management and the Local Union(s) at each plant may develop a mutually agreed upon system that would allow employees to take at least one (1) week of their vacation entitlement in days.

   b. The Management and the Local Union(s) at each plant may develop a mutually agreed-upon system that would allow employees to schedule a portion of their vacation entitlement based on their Company vacation entitlement service.

5. The Company (together with certain other Companies) and the Union have reached the following understandings with respect to the following subjects (and such other subjects as they may designate):

   a) **Training:** In order to serve the basic educational and training needs of Employees and unemployed persons and thereby enhance their qualifications for job opportunities and advancement, the Companies and the Union have been jointly involved in 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) Testing: The September 1, 1965, Agreement provided that the parties shall conduct a study on the subject of Testing. The results of that study led to a special agreement dealing with Testing, which was set forth in paragraph 5(b) of Appendix 4 of the 1968 Basic Agreement. Based on the experience of the parties with that agreement, the parties have agreed to certain revisions and hereby provide for the following:

1. While the Union preserves fully its right to 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 transfers from one Plant to another, the parties have agreed in specific provisions of the Seniority Article of the 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 of Sections 11, 12 and 18 of Article X of the basic 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 procedures shall in all cases include notification to an Employee of his deficiencies and an offer to counsel him as to how he may overcome such deficiencies.
(5) Where a test is used by the Company as an aid in making a determination of the qualifications of an Employee and where the use of the test is challenged properly in the grievance procedure, the following is hereby agreed to:

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

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

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

(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 such cases include notification to an applicant of his deficiencies and an offer to counsel him as to how he may overcome such deficiencies.

6. Participation of Additional Representatives In Step No. 4 Meetings Involving Job Classification Grievances: It is agreed by the parties that in connection with grievances which arise under Section 1 of Article V of the Agreement between the parties, either Step No. 4 representative shall have the right to invite a representative of his central office to participate in Step No. 4 deliberations, provided that notice is given to the other Step No. 4 representative of such request. The participation of such additional representatives, if any, shall be either in Step No. 4 meetings or as otherwise agreed to by the Step No. 4
representatives. If the Director of Arbitration of the International Union makes a timely request, the Company will agree to a reasonable extension of time in Step No. 4 to facilitate the procedure outlined herein.

7. The Supplemental Agreement on Craft jobs dated December 10, 1965, shall continue in effect during the term of the Basic Agreement, except that the provisions of Paragraphs 2(c), 4(d), 4(d)(1) and 4(d)(2), pertaining to the calculation of incentive earnings for Craft jobs, are deleted and the calculation of earnings for Craft jobs shall thereafter be in accordance with the provisions of Article IV of this Agreement.

8. Layoff Training Benefits-Apprentices: Paragraph 2(d) of Appendix 10 shall be implemented by providing an apprentice placed in layoff training status the equivalent of Weekly Benefits under the SUB Plan to supplement State Unemployment Compensation Benefits or, in states where Unemployment Compensation Benefits are not payable to apprentices while engaged in on-the-job training, the equivalent of such Weekly Benefits and the Unemployment Compensation Benefits which would be payable if the apprentice were on layoff.

9. Non-incentive Bonus: At Plants covered by the August 1, 1969, Incentive Arbitration Award an Employee with 5 or more years of continuous service, as determined for pension purposes, shall be paid a $.10 per hour bonus for hours worked on a non-incentive job. Such bonus shall be an "add-on", shall be payable only for hours actually worked, and shall be included in the calculation of overtime premium but shall not be part of the Employee's pay for any other purpose and shall not be used in the calculation of any other pay, allowance, or benefit. For the purpose of applying this provision, a non-incentive job is a job within the scope of the August 1, 1969, Incentive Arbitration Award that is not covered by an incentive and does not qualify for incentive under the terms of such Award.

10. Wage Garnishment.- During the term of the Basic Agreement, Employees whose wages have been garnished will not be disciplined because of such garnishments.

11. Absence—Compensable Disability: An Employee who is subject to Article X, Section 3(c), upon conclusion of either of the events therein described and who is not thereafter "returned to work within 30 days," and is placed on lay-off status, reverts to coverage under Article X, Section 3(a) "Continuous Service." The effect of this reversion is that whatever service the Employee has for recall purposes under Section 3(a) remains intact and his compensable disability period is not deducted therefrom.

12. Incentive Interim Rates: Interim rates established under Article V of the agreement or the Memorandum of Understanding Concerning Incentive Arbitration Award shall continue in effect 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 one (1) year from such cancellation unless such period is extended by mutual agreement between Management and the Local Union Incentive Committee. If the interim rate has not been replaced with the new incentive and there is no mutual agreement between Management and the Local Union Incentive Committee, the subject interim rate issue will
be reviewed by the Special Incentive Committee of this Appendix.

In the absence of agreement by the Special Incentive Committee, the dispute will be referred to an arbitrator for final resolution including penalties, if necessary.

Existing interim rates, absent any local agreements, will be treated in accordance with this Agreement as though the interim rates were installed effective as of the date of this Agreement.

13. Incentive Application and Administration: The parties agree that in order to promote continuing effective Incentive coverage within the guidelines of Article V, Appendix 8, and Appendix 9 of the Agreement and the Memorandum of Understanding Concerning Incentive Arbitration Award, a Special Incentive Committee be created to perform the following:

1. Develop and conduct an Incentive Application and Administration training program for the Local Incentive Committees.

2. Address unresolved plant level incentive problems and issues.

3. Address all other incentive administration issues and/or rate development issues including Interim rate application and calculation.

The Special Incentive Committee shall consist of the Director of the International's Collective Bargaining Services Department and one (1) International Union Headquarters representative and the Company's Manager - Operations Analysis and one (1) representative of the Company designated by the Company's Co-Chairman.

14. Seniority: The parties recognize the problem with respect to certain long service employees adversely affected by idled, reduced or restructured operations who, because of their assignment to pool or retention jobs, were and continue to be limited by paragraph 7(f) of the April 12, 1974 Consent Decree.

In an effort to address this situation, it has been agreed that: Management and the Local Union (or local Unions if there are more than one and they do not jointly deal with Management) at the steel plants at which the above-described problem exists may mutually agree upon a method or procedure to resolve this problem. The local parties are free to discuss and explore various options open to them and will endeavor to complete this task by November 2, 1989.

It is recognized that it will be necessary for the local parties to secure the approval of the Audit and Review Committee referred to in Appendix 38 of the 1999 Labor Agreement before implementing any resolution which they may agree upon.
APPENDIX 29

August 1, 1999

Mr. George Becker, President
United Steelworkers of America
Five Gateway Center
Pittsburgh, Pennsylvania 15222

Dear Mr. Becker:

The purpose of this letter is to confirm the Company may, if it chooses, make necessary arrangements with the Union to provide an Employee stock ownership plan in addition to or in substitution for other provisions of this Settlement Agreement (except those relating to pensions) for the Employees of any bargaining unit of such Company covered by this Agreement.

Very truly yours,
John L. Kluttz
Vice President
Union Relations

Confirmed:
George Becker, President
United Steelworkers of America

APPENDIX 30

STAND UP FOR STEEL AND
NATIONAL POLICY FOR STEEL AGREEMENT

1, 1999
Mr. Thomas Conway, Chairman  
Union Negotiating Committee  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA  15222  

Re: Stand Up For Steel  

Dear Mr. Conway:  

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

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

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

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

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

But through the Union’s and the Company’s leadership, and the active involvement of a number of other steel companies, we have caused our nation’s leaders to address the situation. And our efforts
are paying off. The Stand Up For Steel Campaign has played a dramatic role in helping our 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 expand 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 $0.75 per ton shipped commencing with the month of August 1999, plus any remaining accrued contribution from the 1993 Steel Industry Strategic Study. The parties will develop a report form to track accrued obligations and 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,

BETHLEHEM STEEL CORPORATION

John L. Kluttz
Co-Chairman, Negotiating Committee

AGREED:

APPENDIX 31

FAMILY AND MEDICAL LEAVE

1. GENERAL

This Appendix 31 sets forth the agreement between Management and the Union
regarding implementation of the Family and Medical Leave Act of 1993 ("FMLA"). It constitutes the outcome of the discussions agreed to in Paragraph 6 of Appendix 31 to the 1989 Agreement.

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. A copy of the law and the implementing regulations are available for review at the Division's Personnel Services Office. Nothing in this Appendix shall be construed to provide lesser benefits than required under federal law.

Except as to those employees currently on a leave granted under Appendix 31 of the 1989 Basic Labor Agreement (BLA), effective August 5, 1993, this Appendix 31 supersedes the 1989 BLA Appendix 31. Any employees currently on leave may elect to continue on leave under the terms and conditions of the 1989 BLA Appendix 31 or may convert the leave to one covered by the terms and conditions of this Appendix upon furnishing Management with medical certification as described in paragraph 8. NOTICE establishing that the leave would otherwise be covered under the provisions of the FMLA and providing further portion of the leave taken prior to August 5, 1993, will not be counted against the leave provided under the FMLA.

Nothing herein is intended in any way to limit the normal policies or practices of a Plant regarding absenteeism, reporting off, or any similar or related matter; nor is it intended, except as specifically provided, to modify the normal rules of any employee benefit plan or program.

2. ELIGIBILITY

Any employee who has at least six months of continuous service shall be eligible for up to twelve (12) weeks of unpaid leave in any twelve (12) month period in connection with the birth, adoption or foster care placement of a child, the need to care for a seriously ill family member or the employee's own serious illness.

The twelve (12) weeks shall be measured on a rolling twelve (12) month period, measured backward from the date the requested leave would commence. Any time off taken in connection with any of the above situations shall be counted toward the twelve (12) week period, except as otherwise noted.

Where an employee and spouse both work for the company, they are entitled to a combined total twelve (12) weeks of leave between them unless the leave is for their own serious health condition or the serious health condition of a child or their spouse.

3. DEFINITIONS
"Spouse" means a husband or wife as defined or Recognized under State law for purposes of marriage, including common law marriage to the extent recognized by the State in which the employee resides. This definition will generally mean the spouse covered by the Program of Insurance Benefits.

"Parent" means a biological parent, a stepparent when they have lived with the employee in an immediate family relationship, or an individual who stands or stood in loco parentis to the employee when the employee was a child. The definition of parent does not include parents-in-law.

"Son" or "daughter" means a biological, adopted or foster child, a stepchild that has lived with the employee in an immediate family relationship, a legal ward, or a child for whom the employee stands in loco parentis. Where the child is 18 or over, an employee is entitled to leave if the child is incapable of self-care because of a mental or physical disability.

4. PARENTAL LEAVE

An employee shall be entitled to unpaid leave of up to twelve (12) continuous weeks in connection with the birth, adoption or foster care placement of a child. An employee may request leave related to the birth, adoption or foster care placement of a child on an intermittent or reduced leave schedule, however, such leave may be taken only with Management's permission.

A pregnant employee who continues at work until certified as totally disabled shall, effective at the conclusion of her period of disability, be entitled to an unpaid leave for a period of up to twelve (12) continuous weeks.

5. CARE OF A FAMILY MEMBER

An employee shall be entitled to unpaid leave of up to twelve (12) weeks to care for a seriously ill parent, child, or spouse who suffers a serious health condition that is, a condition requiring hospitalization or on-going care by or supervised by a licensed physician, surgeon, podiatrist, dentist, clinical psychologist, optometrist, chiropractor, nurse practitioner, nurse-midwife or Christian Science Practitioner to the extent set forth in the FMLA regulations, 29 CFR 825.
6. EMPLOYEE ILLNESS

An employee shall be entitled to unpaid leave of up to twelve (12) weeks in connection with the employee's own serious health condition as set forth in the FMLA regulations, 29 CFR 825.

Current provisions applicable under the labor agreement in connection with an employee's own health condition shall continue to apply. In the event the employee should exhaust Sickness and Accident, Sick Leave (O&T employees only) or Workers' Compensation benefits prior to being released for work and prior to exhausting the leave entitlement under the FMLA, he may continue on an unpaid leave until such time as the FMLA entitlement has been exhausted.

Any absence in excess of four (4) calendar days related to the employee's illness or accident, including absences covered under applicable Workers' Compensation laws, shall be deemed to be leave taken pursuant to the FMLA.

In the event an employee should exhaust the FMLA entitlement due to their own serious health condition, such employee shall be entitled to an additional unpaid leave of up to four (4) weeks in connection with the birth, adoption or placement of a child, or the need to care for a seriously ill family member, should such an event occur within the rolling twelve month period as defined above.

7. INTERMITTENT OR REDUCED LEAVE SCHEDULING

The FMLA permits leave to be taken on an intermittent or reduced leave schedule if related to the serious illness of the employee or covered family member, when it is medically necessary. If related to the birth, adoption, or placement of a child, such leave may be taken with the employer's permission.

An employee seeking leave in other than continuous weeks must schedule the time off in the manner least disruptive to the Plant's operating needs.

Where leave is sought other than in full day increments, the employee may be assigned by Management to an equivalent position consistent with the collective bargaining agreement and paid at the regular 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.

Where leave is sought in increments of less than a full work week, 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 work days), no leave need be provided.

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 equivalent position, without regard to seniority, for the period of time during which intermittent leave may be required. The employee shall be paid at the regular rate for the assigned position.

8. NOTICE

In the case of leave sought in connection with the birth, adoption or foster care placement of a child, the employee shall advise the Department Head and the Personnel Services Office of the anticipated need for leave as soon as possible; but, in no event, less than thirty (30) days prior to the expected delivery or placement date; provided however, where such notice is not possible because the employee has no knowledge of the possibility of the event occurring or such notice is not practicable because of a change in the circumstances or a medical emergency, notice should be given as soon as practicable i.e. within one or two business days of when the need for leave becomes event of a failure to provide such notice, Management may, delay the commencement of the leave for up to ten (10) days after notice is received.

In the case of leave sought in connection with the serious health condition of the employee or a family member, the Department Head and Personnel Services Office shall be notified as soon a possible (within forty-eight (48) hours) of the need for leave and the expected duration and schedule of the leave.

In the case of a leave to care for a family member, following the initial notice provided above, a written notice shall be provided as soon as possible, 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:

1. The date on which the condition commenced;
2. The probable duration of the condition;
3. Appropriate medical information, sufficient to enable Management to reasonably review the request; and
4. 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.

Where the leave is to be taken in other than a single continuous period of time, the notice shall also include:

5. The dates on which the medical treatment is expected to be given;
6. The duration of such treatment;
7. The medical necessity for leave to be granted on an intermittent basis;  
A31.41

8. The expected duration of the need for an intermittent schedule; and  
A31.42

9. The medical reason why it is necessary for the care to be provided to the  
family member on an intermittent basis.  
A31.43

Certification forms can be obtained from the Division's Personnel Services Office.  
A31.44

In the event Management determines that the certification provided by the employee is  
inadequate, it may require evaluation of the situation involved and a determination of any  
appropriate changes to the certification by a physician of its choice. Management shall bear  
the cost at any second opinion.  
A31.45

At its election, Management may require a third opinion at its expense, by a physician  
agreeable to both it and the employee. In such case, the third opinion shall be final and  
binding on both Management and the employee. This physician review process must be  
completed as expeditiously as possible so as not to unreasonably deny employee leave.  
A31.46

Where the initial certification is by a Christian Science Practitioner, Management may  
require that any second or third opinion be by a physician.  
A31.47

9. PAY  
A31.48

Employees seeking leave under this Appendix may be required by management to  
utilize up to one week of unused vacation in either single days or a full week.  
A25.49

An employee may request to utilize additional vacation during the FMLA leave time.  
Management reserves the right to approve such a request where it involves a change in the  
vacation schedule.  
A31.50

Except for the substitution of vacation and the utilization of Sick Leave 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, gainsharing,  
rate retention, guaranteed hours, holiday pay, service bonus, earnings protection,  
short week benefit or IRP.  
A31.51

10. TERMINATION OF LEAVE  
A31.52
An anticipated duration of the leave sought shall be established at the time the leave is granted. Upon termination of a leave, the employee shall be reinstated to the same or an equivalent position as that held at the time the leave commenced, consistent with the seniority provisions of the labor agreement, unless there was an intervening event including but not limited to a reorganization or force reduction. In the latter event the employee shall be reinstated to the same or an equivalent position or status which he would have held after the intervening event if the leave had not been taken.

An employee who wishes to return from leave prior to the scheduled return date must give the Department Head and Personnel Services Office twelve (12) days notice of his desire to return, unless the Personnel Services Office agrees to a shorter period in a particular case.

An Employee on a leave under this Appendix is not eligible for Supplemental Unemployment Benefits in the event of a lay-off, until following the scheduled termination of the leave.

11. 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. Employees with less than two years' service will also continue in benefit coverage during such leave.

12. BENEFIT CONTINUATION

Provided the employee is otherwise eligible and continues making any normally-required premium or other payments, in a manner acceptable to Management, all benefit coverage, including the accrual of continuous service, shall continue during the period of leave. In the event the employee fails to make such payments, all benefit coverage shall terminate after thirty (30) days.

13. 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 32

August 1, 1999
George Becker, President  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, Pennsylvania 15222

Dear Mr. Becker:

MEMORANDUM OF UNDERSTANDING ON  
CERTAIN SAFETY STATISTICS

This is to confirm our understanding that beginning with calendar year 1999, Bethlehem Steel Corporation, recognizing the importance of cooperation in improving safety and health performance will during the term of this Agreement, from a single source at the appropriate organizational level, provide to the International Union Safety and Health Department the year end Lost Workday Case Incidence Rate and Fatal Injury Incidence Rate for each facility covered by this Agreement.

Very truly yours,
John L. Kluttz  
Vice President  
Union Relations

Confirmed:  
George Becker, President  
United Steelworkers of America
APPENDIX 33

August 1, 1999

Mr. Thomas M. Conway, Chairman
Co-Chairman, Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, Pennsylvania 15222

Dear Mr. Conway:

Recognizing that the parties have obligations under the Americans with Disabilities Act of 1990 (Act), during the negotiations which led to our 1999 agreement the parties fully discussed the Act and the possible impact of the Act on our employees and their rights under the collective bargaining agreement.

As a result of these discussions and in view of current uncertainties surrounding the interpretation of the Act, it is agreed that the Company and the Union will cooperate in an effort to:

a. comply with the provisions of the Act;

b. amicably resolve disputes arising from possible conflicts between the Act and the provisions of the labor agreement; and

c. make reasonable accommodations required by the Act.

Notwithstanding any other provision of this letter, the Union reserves its rights under the law and the labor agreement.

Sincerely yours,

BETHLEHEM STEEL CORPORATION
John L. Klutz
Co-Chairman, Negotiating Committee

APPENDIX 34
MEMORANDUM OF AGREEMENT
JURISDICTIONAL DISPUTES

If a dispute arises over the appropriate bargaining unit in which a job belongs, the parties shall meet and discuss such dispute in an attempt to settle the issue. If settlement is reached and the job is to be moved to another bargaining unit, such shall not become effective until the incumbent(s) of the job vacates the job.

In the event agreement cannot be reached as to which bargaining-unit the job should appropriately be assigned, the following shall apply:

1. All such complaints shall be unified and processed under one of the grievance and arbitration procedures whichever one the local parties shall agree upon;

2. All of the local parties shall have the right to participate in any meetings or proceedings concerning any such complaints, and no such complaint shall be settled unless all of the Production and Maintenance and Clerical Units at the Plant and the Company agree to such settlement;

3. In any arbitration concerning any such complaint, the arbitrator shall have jurisdiction to resolve the complaint under any local working condition then in effect and under any local agreement or recognition agreement. The arbitrator's award shall be final and binding upon all parties, including the Production and Maintenance and Clerical Units and the Company.

APPENDIX 35

August 1, 1999

Mr. Thomas M. Conway, Chairman
Union Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, Pennsylvania 15222

Dear Mr. Conway:

During the 1993 negotiations, the parties discussed hazards associated with operating in-plant railroads and other fixed rail equipment and the potential for incurring serious injuries involving such fixed rail equipment. In light of the serious accidents that may result from the operation of this equipment the parties believe it would be beneficial for each joint Safety and Health Committee
to review their present railroad and other fixed rail equipment safety rules and procedures. Particular attention should be given to identifying inch points and the manner in which personnel may be operating such equipment.

Very truly yours,

BETHLEHEM STEEL CORPORATION

__________________________________
John L. Kluttz
Co-Chairman, Negotiating Committee

Agreed:

__________________________________
Thomas M. Conway, Chairman
Union Negotiating Committee

APPENDIX 36

Mr. Thomas M. Conway, Chairman
Union Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, Pennsylvania  15222

Dear Mr. Conway:

The parties agree that workplace violence has been an issue for many industries. The parties also agree that information on workplace violence should be provided to employees to prevent similar incidents from occurring at facilities covered by this agreement. The joint plant safety and health committee will be responsible for developing a communication plan for delivery of this information. Training will be provided to the Union Safety Representatives, the Joint Plant Safety and Health Committee Co-Chairpersons and Company
Safety Representatives at the annual training session set forth in Article 14.11.04 of the 1999 Collective Bargaining Agreement.

Very truly yours,

BETHLEHEM STEEL CORPORATION

__________________________________
John L. Kluttz
Co-Chairman, Negotiating Committee

Agreed:

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Thomas M. Conway, Chairman
Union Negotiating Committee
APPENDIX 37

LETTER AGREEMENT
ON VACATION ELIGIBILITY FOR UNION OFFICIALS

August 1, 1999

Mr. Thomas M. Conway, Chairman
Union Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Conway:

This will confirm our understanding, reached during the 1999 negotiations, concerning vacation eligibility for an employee who is elected President, Vice-President, Recording Secretary, Financial Secretary, Treasurer or Grievance Committeeman for the Local Union(s) at the Plant. Beginning with the effective date of the 1999 Bethlehem Labor Agreement and during its term, if a Union official is absent from work for a day on Union business, which is not paid by the Company, the Company will deem such day as eight (8) hours worked solely for purposes of the “520 hours worked” vacation eligibility requirement (Article IX Section 2(c) in the 1993 Labor Agreement). The Union will certify to the Company that all such credited hours for the Union officials were directly related to administering the 1999 Bethlehem Labor Agreement.

Very truly yours,

BETHLEHEM STEEL CORPORATION

__________________________________________
John L. Kluttz
Vice President - Union Relations

CONFIRMED:

UNITED STEELWORKERS OF AMERICA

__________________________________________
Thomas M. Conway, Chairman
1. The provisions of Consent Decree I entered in *United States of America, et al. v. Bethlehem Steel Corporation, et al.* (Civil Action No. 74P339 in the United States District Court for the Northern District of Alabama) and any amendment thereto, so long as such Decree remains in effect, are hereby made a part of this Agreement as though expressly incorporated herein and in any case of conflict with the provisions of this Agreement, the provisions of such Decree shall have overriding effect.

2. 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 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.

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1 The provisions of the Decree were originally made applicable to the Sparrows point Plant of Bethlehem Steel Corporation, subject to conforming modification, as appropriate and agreed to, of the Decision of the Secretary of Labor dated January 15, 1973, *In the Matter of Bethlehem Steel Corporation respondent, O.F.C.C. Docket No. 102-68*, the Secretary of Labor having agreed that such Decision would be so modified.

The provisions of the Decree were also made applicable to the Lackawanna Plant of Bethlehem Steel Corporation, subject to conforming modification, as appropriate and agreed to and with the approval of the Court having jurisdiction, in *United States v. Bethlehem Steel Corp., et al.* Civil Action No. 1967-432.
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 will be dissolved on November 1, 1989, unless extended by the Court.

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 Agreement. 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, as of November 1, 1989, 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.

3. 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.

4. 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 in the same way as it was defined in Section 2 of the Decree.

5. SCOPE—This Appendix shall apply to all plants and facilities covered by this Agreement.

6. TRANSFERS—Where an employee transfers from one seniority unit to another,
his plant service shall be used for all purposes provided for by Article X, Section I 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 entry into the unit.

7. 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.

8. BIDDING RIGHTS FOR CERTAIN EMPLOYEES—In 1986, the parties entered into an agreement with respect to certain long service employees adversely affected by idled, reduced or restructured operations, 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 among other things, described five possible options and established a procedure for adopting one or more of them to deal with the problem. The agreement on this matter is set forth in Appendix U of the 1986 Settlement Agreement and the options are described in attachment A to that Appendix. The parties did not fully implement Appendix 4. They have, as part of this Agreement, established a similar procedure and set of options.

Accordingly, the parties agree that effective on November 1, 1989, or, if later, the date on which the Decree is dissolved, Appendix 28, paragraph 14 of the Basic Labor Agreement may be placed in effect notwithstanding the provisions of Article X, Section 10(d) or any other provision of the Basic Labor Agreement or this Appendix.

9. TRAINING OF TRANSFERRED EMPLOYEES—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.

10. 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 10, his rights in the unit from which he transfers will be canceled 30 calendar days after such transfer provided, however, that if during such 30 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 10, he will be given one additional transfer with rate retention rights under the provisions of this paragraph.
(b) An employee who exercises an opportunity under this paragraph 10 to transfer with rate retention will be provided with a personal transfer rate to be paid starting 30 calendar days after his transfer, retroactive to his date of transfer, provided he does not voluntarily or at the direction of Management return to the unit from which he transferred within such period. Except as provided in paragraph 10(c) below, his personal transfer rate shall be the standard hourly wage rate which is nearest to his average standard hourly wage rate in the 13 consecutive weekly pay periods or 7 consecutive biweekly pay periods (which ever is applicable) immediately prior to his date of transfer. The incentive calculation rate corresponding to the standard hourly wage rate which constitutes his "personal transfer rate" will be applicable when he works on an incentive job in his new seniority unit or department. in no event, however, shall an employee's personal transfer rate exceed the lower of (1) the standard hourly wage rate in effect for job Class 11 on the date of his transfer; or (2) the standard hourly wage rate of the highest job in the line of progression to which he is transferring. For the hours in each pay period that are compensated after such transfer (except vacation and SUB payments), an employee shall be paid the higher of: (1) his average hourly earnings using his personal transfer rate as applied to his new job(s); or, (2) his average hourly earnings at the established rate of pay for his new job(s) in that pay period.

(c) If a female or minority employee transfers under the provisions of this paragraph 10 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 (exclusive 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.

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 implementing 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 ARC 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 Article X, Section 12(c) 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 efforts 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 ARC.

(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 compliance and thus toward the realization of the goals within the timetables established.

(g) PRE-APPRENTICESHIP TRAINING: The Company and Union shall make application to the United States Department of Labor for such funds as might be available for the establishment of pre-apprenticeship training programs where such were otherwise agreed to.

12. EMPLOYEE SELECTION CRITERIA—(a) The Company shall not use employee selection procedures for promotions, Trade and Craft Selection and other matters covered by Article X of the Basic Labor Agreement unless those procedures meet the standards set forth in Appendix 28, Section 5(b) 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 from 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 indicated 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, if not resolved to the satisfaction of all members of the Audit and Review Committee, may be processed in accordance with the provisions of Article XI of the Basic Labor Agreement, provided, however, any arbitration decision resulting therefrom shall not be subject to the review provided in paragraph 13(c) below. 

13. AUDIT AND REVIEW COMMITTEE — In place of the Audit and Review Committee provided for in Section 13 of the Decree, the 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 on November 1, 1989 or on such
other date as the parties shall agree.

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 have been 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 Article XI of the Basic Labor Agreement.

(c) Review of arbitration decisions before they are issued involving grievances alleging violation of this Appendix or alleging a broad-based challenge that an existing seniority provision or practice, line of progression or pool arrangement is discriminatory.

(d) The decisions and determinations of the ARC shall be in writing and shall be final and binding upon the parties and all employees concerned. An arbitration decision reviewed by the ARC shall be final and binding upon approval by the ARC.

(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 or found invalid by the ARC, 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) to the Decree are continued in full force and effect.
APPENDIX 39

EMPLOYEE ORIENTATION PROGRAM

August 1, 1999

Mr. George Becker
President
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr.: Becker:

This letter memorializes our agreement concerning implementation of the United Steelworkers of America ("USW")/Bethlehem Steel Corporation Employee Orientation Program ("Program").

The USW and Bethlehem Steel Corporation ("Bethlehem") 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 Bethlehem. The United Steelworkers of America and Bethlehem Steel Corporation agree that each will be responsible for the wages and salaries paid to their respective employees under the Program.

The Program, as agreed, shall include the following:

1. The development, distribution and utilization of any necessary color training films;

2. The training of USW and Bethlehem representatives for their role as instructors in the Program to sharpen their teaching and communication skills;

3. The provision for two hours for Bethlehem and the USW to separately supplement any film presentation, which supplement may include, for example;
   a. Introduction of those covered Employees hired subsequent to July 1, 1986, to USW Staff Representatives and/or USW local union leaders and management representatives from the Plant.
   b. Distribution and discussion of the USW/ Bethlehem Basic Labor Agreements and any relevant Local Seniority Agreements;
c. Discussion of the history and achievements of the USW International Union and the particular USW Local Union;

d. Discussion of the history of the plant and a discussion of the products produced and customers serviced;

e. Discussion of the structure of the International and particular USW Local Union and the services that are provided by the various offices and committees;

f. Discussion of the structure of Bethlehem and the plant and the functions and services that are provided by the various departments;

g. Discussion concerning the USW/Bethlehem Basic Labor Agreement grievance procedure and the probationary period;

h. Discussion of Safety Programs and Safe Job procedures;

i. An opportunity for questions and answers.

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.

Sincerely yours,
John L. Kluttz
Vice President, Union Relations

Confirmed:
George Becker, President
United Steelworkers of America
APPENDIX 40

LETTER AGREEMENT ON NEUTRALITY

A. INTRODUCTION

Over the years, the Company and the United Steelworkers of America ("the USWA or the Union") have developed a constructive and harmonious relationship built on trust, integrity and mutual respect. The parties place 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 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 Impartial Umpire 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 Workplaces where employees eligible to be represented within the proposed bargaining unit work and where notices are customarily posted. This notice shall read as follows:

"NOTICE TO EMPLOYEES

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

1. The Company does not oppose collective bargaining or the unionization of our employees.

2. The choice of whether or not to be represented by a union is yours alone to make.

3. We will not interfere in any way with your exercise of that choice.

4. The Union will conduct its organizing effort over the next 90 days.

5. In their conduct of the organizing effort, the Union and its representatives are prohibited from misrepresenting the facts surrounding your employment. Nor may they demean the integrity or character of the Company or its representatives.

6. If the Union secures a simple majority of authorization cards, subject to verification, of the employees in [insert description of bargaining unit provided by the Union] the Company shall recognize the Union as the exclusive representative of such employees without a secret ballot election conducted by the National Labor Relations Board.
7. The authorization cards must unambiguously state that the signing employees desire to designate the Union as their exclusive representative.

8. Employee signatures on the authorization cards will be verified by a third party neutral chosen by the Company and the Union."

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

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

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

The communication shall be provided to the Union at least two business days prior to its intended distribution. If the Union believes that the communication violates the strictures of this provision it shall so notify the Company. Thereupon the parties shall immediately bring the matter to the Impartial Umpire, 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 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 Impartial Umpire 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 the accruing continuous service in bargaining units covered by a Basic Labor Agreement. In choosing between qualified applicants from such bargaining units, the Company shall apply standards established by Article X of the Basic Labor Agreement.

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

2. Before implementing this provision the Company and the Union will decide how this preference will be applied.

3. In determining whether to hire any applicant at a Covered Workplace (whether or not such applicant is an employee covered by a Basic Labor Agreement), the Company shall refrain from using any selection procedure, which, directly or indirectly, evaluates applicants based on their attitudes or behavior toward unions or collective bargaining.

E. DEFINITIONS AND SCOPE OF THIS AGREEMENT

1. Rules with Respect to Affiliates, Parents and Ventures

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

(i) engaged in (a) the mining, refining, production, processing, transportation distribution or warehousing of raw materials used in the making of steel; or (b) the making, finishing, processing, fabricating, transportation, distribution or warehousing of steel; and

(ii) either a Parent, Affiliate or a Venture of the Company.
For purposes of this appendix, a Parent is any entity which directly or indirectly owns or controls more than 50% of the voting power 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 provisions of Section E-1, above, to become a party/parties to this appendix and to achieve compliance with its provisions.

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

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

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

1. The employer and the Union shall meet within 14 days following recognition to begin negotiations for a first collective bargaining agreement covering the new unit bearing in mind the wages, benefits, and working conditions in the most comparable operations of the company (if any comparable operations exist), and those of unionized competitors to the facility in which the newly recognized unit is located.

2. If after 90 days following the commencement of negotiations the parties are unable to reach agreement for such a collective bargaining agreement, they shall submit those matters that remain in dispute to the Chairman of the Union Negotiating Committee and the Company's Vice President-Union 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 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 Impartial Umpire. A hearing shall be held within ten (10) days following such submission and the Impartial Umpire 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 Impartial Umpire pursuant to this appendix shall be based on the terms of this appendix and the applicable provisions of the law. The Impartial Umpire'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 Impartial Umpire'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.
August 1, 1999

Mr. Thomas Conway, Chairman
Union Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Conway:

This letter will confirm our understanding reached during discussions leading to our agreement to incorporate a new Neutrality Appendix into the successor agreement to our August 1, 1993 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 1170 Eighth Avenue, Bethlehem, 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 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 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:

Steel Construction Systems -- Orlando, Florida  
(sheet finishing and processing)

TWB Company, LLC -- Monroe, Michigan  
(sheet finishing and processing)

Walbridge Coatings -- Walbridge, Ohio  
(sheet finishing and processing)

5. Notwithstanding the exemption from Neutrality Appendix coverage described in 4 above, the Company agrees to use its best efforts to:

• Convince the Board of Directors and Management at the Exempted Entities referred to above to accept the Neutrality Appendix.

• 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.

• Take other similar actions as may be mutually agreed to by the Company and the Union.

Sincerely yours,

John L. Kluttz  
Vice President-Union Relations

Confirmed: ___________________________  
Thomas Conway, Chairman  
Union Negotiating Committee
August 1, 1999

Mr. Thomas M. Conway, Chairman
Union Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Conway:

As part of the 1999 Negotiations, the Bethlehem Steel Corporation ("Bethlehem") and the United Steelworkers of America ("USWA"), the Management of the Lackawanna Coke Division ("LCD") and Officials of Locals 2601 and 2604-A of the USWA reviewed in detail the financial and business outlook for the LCD. They also considered the impact that the 1999 Settlement Agreement would have on the future financial condition of the LCD. As a result of those discussions, the parties agree to the following:

A. Preference Stock for the $1.00 Wage Rate Differential:

While the wage and benefit improvements contained in the 1999 Settlement Agreement will be passed through to LCD employees, the present $1.00 per hour differential between LCD wage rates and Basic Agreement wage rates shall continue for the term of the 1999 Labor Agreement. In lieu of paying the $1.00 per hour differential, the Company will credit an amount equivalent thereto as an investment (for which shares of Series B Preference Stock will be contributed to the trust under the Employee Investment Program ("EIP") as provided in paragraph 3.b of Appendix 3, Exhibit A of the 1993 Labor Agreement. The entire $1.00 per hour wage rate differential will be included in the calculation of pension earnings for LCD employees.

The $1.00 per hour differential investment amount will not affect QIB payments to SLTE employees made pursuant to the Earnings Protection Plan and will not be counted as a component of Wage Cost Per Hour for purposes of the LCD EIP Restoration Plan (as modified during 1999 Negotiations). If, during the life of the 1999 Labor Agreement, the Company shuts down the Lackawanna Coke Ovens, employees who received preference stock in accordance with this understanding will, at the time of their layoff, have the option of receiving a cash payment for the full value of the $1.00 per hour differential or stock, on the basis of the investment amount remaining in the employees’ EIP trust account that was invested for the $1.00 per hour differential. Upon such payment, the Company will reduce the
employees’ trust account by the number of shares that corresponds to the amount invested for the $1.00 per hour differential.

B. **Employment Security**

- The parties recognize that long term employment security and productivity improvements are inseparably linked and in reaching this understanding agree that they must address both issues in balance and relationship to each other.

The parties also agree that as a small, labor intensive division that there are limited attritional events available, which create the additional opportunity for improved personal productivity. The parties are united in their determination to develop and implement all steps to maximize the effective utilization of the workforce and equipment which affords the best opportunity for long term job security.

While implementing these productivity improvement plans, the job security provisions contained in the 1999 Main Agreement except as provided below will be in force at the Lackawanna Coke Division. In development of these productivity improvements the parties shall consider all reasonable steps such as local practice changes, modern work practices, job restructuring and manning levels.

The parties will work to design these improvements to provide for the best opportunity to absorb all attritional events at the Division.

The process will be managed by a joint committee composed of the Lackawanna Coke Division Manager, three management representatives, an International staff representative and the Presidents of Locals 2601 and 2604-A (or his designee) and one other Union representative from Local 2601.

In the event that the joint committee is unable to reach agreement on a plan, or part of a plan, the item(s) in dispute may be submitted by either party to the permanent Impartial Umpire for expeditious resolution. Any dispute submitted for resolution will be determined considering the objectives of this memorandum.

The parties agree that in the event that the Lackawanna Coke Division operating level, whether due to depressed business conditions or equipment deficiencies, must be reduced to a coking time longer than 24-hour coke, the employment security provisions (Appendix 16) will be suspended.

Very truly yours,

BETHLEHEM STEEL CORPORATION
Appended text...

John L. Kluttz  
Vice President, - Union Relations

CONFIRMED:

UNITED STEELWORKERS OF AMERICA

Thomas M. Conway  
United Steelworkers of America

APPENDIX 41-1

August 1, 1999

Mr. Thomas M. Conway, Chairman  
Union Negotiating Committee  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA  15222

Dear Mr. Conway:

As part of the 1999 Negotiations Bethlehem Steel Corporation (the "Company" or "Bethlehem") and the United Steelworkers of America (the "USWA") the management of the Lackawanna Coke Division ("LCD") and officials of Locals 2601 and 2604-1 of the USWA reviewed in detail the financial and business outlook for the LCD, and have agreed to the following:

(1) LCD employees will be covered by the Lackawanna Coke Division EIP Restoration Plan ("Plan") currently in affect, except that the Plan will be modified to neutralize the effect of past economic labor cost sacrifices reinstated in the 1999 Agreement settlement, the full effect of the 1999 Agreement economics, the increased man hours caused by excessive training related to the retaining excess employees at LCD pending their transfer to Galvanize Products Division and the dumping of external coals by LCD employees; (2) LCD Management will replace the current Millwrights and Motor Inspector in the Garage with 5 Diesel Mechanics who will be paid the applicable rate of pay; and become members of Local 2601 of the USWA; (3) the current Millwrights and Motor Inspector will be reassigned; (4) Departments 330 and 332 will be combined and a day Millwright position in the
Boiler House or Power House will be eliminated through attrition; (5) within 90 days of the ratification of the 1999 Agreement, LCD Local Union representatives will, utilizing the Partnership Process, develop a plan which identifies at least $100,000 in cost savings that are achievable within the first year of the Agreement, such cost reduction Partnership Process will continue throughout the term of the 1999 Agreement; (6) any training requirements for the Partnership Process will be limited to top Company and Union Officials; and, (7) the entire amount of the applicable incentive interim rate will be counted as earnings for pension purposes regardless of the Division's performance under the restoration plan.

With respect to item 1, above, the parties agree to meet and agree on the specific modifications indicated within 30 days of the effective date of the 1999 Agreement. The modified Plan will be retroactive to the effective date of the Collective Bargaining Agreement.

Very truly yours,

BETHLEHEM STEEL CORPORATION

John L. Kluttz
Vice President, - Union Relations

CONFIRMED:

UNITED STEELWORKERS OF AMERICA

Thomas M. Conway
United Steelworkers of America

APPENDIX 42

August 1, 1999

Mr. Thomas M. Conway, Chairman
Re: Right of First Offer on Sale of Facilities

Dear Mr. Conway:

In connection with the recently completed negotiations between the United Steelworkers of America ("USWA") and Bethlehem Steel Corporation (the "Company"), the parties have reached the following understandings applicable in the event of the sale of all or a substantial portion of any Plant covered by the basic labor agreement (hereinafter the "Facilities", or individually, a "Facility"):

1. a. Should (i) the Company through a single transaction or series of transactions decide to sell or otherwise transfer ownership or control of shares of stock representing voting control of the corporate entity which owns any of the Facilities ("Common Stock") or (ii) should the Company decide to sell or otherwise transfer all or a substantial portion of any of the Facilities, it will consider the USWA and its members as the first potential buyer therefore. The Company will advise the USWA in writing of its intent to sell such Common Stock or a Facility (collectively, the "Assets"). The tendering to the Company of an unsolicited offer to purchase Common Stock or any of the Facilities shall only be considered a decision to sell or otherwise transfer ownership of such Assets if the Company commences negotiations with such offeror or its representatives. In no case, however, shall the Company enter into any agreement or understanding to sell the Assets without first complying with the provisions of this letter.

   b. Subject to the USWA and the Company entering into a Confidentiality Agreement to be mutually agreed upon, the Company will provide the USWA with information and access to Company personnel and facilities needed to determine whether it wishes to make an offer. Such information and access shall be of the type customarily provided to prospective purchasers for such Assets.

   c. During the first thirty (30) days from the date the Company notifies the USWA pursuant to paragraph 1.a. above the Company will not entertain or enter into a contract for sale of the Assets. The USWA shall be entitled to submit a written offer to purchase the Assets at any time during such thirty (30) day period.
d. During the next sixty (60) day period, the Company will be free to entertain offers from other entities for the Assets, and the USWA will also be entitled to submit an offer during such period, but the Company, as applicable, will not enter into a contract for sale of the Assets to any entity other than the USWA during such sixty (60) day period.

e. In the event the thirty (30) and sixty (60) day periods referred to in paragraphs 1.c and 1.d, respectively have elapsed, the Company shall be entitled, subject to this paragraph 1.e. and paragraph 1.f to enter into an agreement to sell such Assets to any purchaser, including the USWA, provided that such a transaction must close within one year after the end of such periods. If the Assets have not been sold during such one year period, the Company must comply again with the provisions of this letter agreement before selling such Assets.

f. In the event that the USWA submits an offer pursuant to paragraphs 1.c. or 1.d. above, the Company shall not be under any obligation to accept such offer or to negotiate with the USWA concerning such offer. However, the Company shall be entitled to enter into a binding purchase agreement with regard to the Assets with an entity other than the USWA provided that the transaction contemplated by such purchase agreement is in the reasonable judgment of the Company more favorable to the Company than the USWA offer, taking into account the purchase price, form of consideration, structure, timing, risk of non-consummation, impact on the business of the Company, other obligations of the Company and other relevant legal and financial considerations. Nothing contained herein shall require the Company to accept any offer by any entity, including the USWA, for the purchase of the Assets.

2. The rights granted the USWA under this letter agreement may not be transferred or assigned by the USWA except that its rights may be assigned to and exercised by an acquisition entity established by or for the benefit of the appropriate USWA-represented employees; and, further provided, that said employees shall own directly or indirectly through an employee stock ownership (or similar) plan, not less than thirty-three percent (33%) of the voting equity interests in such acquisition entity.

3. This agreement shall not be deemed to cover any sales or issuances by the Company of its own securities, or any sales or issuance of debt securities, convertible securities, preferred stock or warrants by the corporate entity which owns any of the Facilities, provided that the Company retains at least fifty-one percent (51 %) voting control of such corporate entity.
4. Nothing herein shall be deemed to release, relieve or otherwise affect any of the rights and obligations of the parties pursuant to the provisions on Successorship set in Article XIX of this Agreement.

5. This agreement shall remain in effect for the term of the Agreement between the USWA and Bethlehem Steel Corporation, dated August 1, 1999 (the "Collective Bargaining Agreement and shall expire at the termination date of said Collective Bargaining Agreement.

If the foregoing confirms our mutual understandings and agreements, please sign and return to me the duplicate original copy of this letter agreement at your earliest opportunity.

Sincerely yours,
BETHLEHEM STEEL CORPORATION
John L. Kluttz
Co-Chairman, Negotiating Committee

Confirmed:
UNITED STEELWORKERS OF AMERICA
Thomas M. Conway
Co-Chairman, Negotiating Committee

APPENDIX 43

August 1, 1999

Mr. Thomas M. Conway, Chairman
Union Negotiation Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Conway:

During these negotiations the Union expressed concern over the manner in which the Company may conduct business with or enter into transactions with its subsidiaries or affiliates.

To address the Union's concern, the Company agrees that during the term of the 1999 Labor Agreement it will not, directly or indirectly, conduct any business or enter into any
transaction or series of transactions with or for the benefit of its subsidiaries or affiliates, except in good faith and on terms that are no less favorable to the Company that those that could have been obtained in a comparable transaction on an arm's length basis from a person not a subsidiary or affiliate of the Company. For purposes of this agreement, the term "subsidiary" shall refer to any corporation in which more than 50 percent of the voting stock is owned, directly or indirectly, by the Company and the term "affiliate" shall mean any business entity, other than a subsidiary, directly or indirectly controlling or controlled by or under direct or indirect common control with the Company. For the purposes of this definition, "control" when used with respect to any business entity, means the power to direct the management and policies of such business entity directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

The foregoing provisions shall not apply (i) with respect to transactions which are implemented under agreements or arrangements existing as of July 1, 1993, or are entered into in the ordinary course of business consistent with past practice, or (ii) with respect to any transaction which is reasonably designed to benefit the basic steel or steel related operations.

If the forgoing accurately reflects our agreement, please confirm by signing below.

Very truly yours,
BETHLEHEM STEEL CORPORATION
John L. Kluttz
Co-Chairman, Negotiating Committee

Confirmed:
UNITED STEELWORKERS OF AMERICA
Thomas M. Conway
Co-Chairman, Negotiating Committee

APPENDIX 44

August 1, 1999

Mr. Thomas M. Conway, Chairman
Union Negotiation Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Conway:
This letter will confirm the following understandings reached during the negotiations of the 1999 Labor Agreement.

During the term of the Agreement, the Company will transmit to the International Union, on a monthly basis, the following information for all active and laid off USWA-represented hourly employees for whom there is a checkoff authorization:

- Name
- Address
- Date of Birth
- Date of Hire
- Social Security Number
- If applicable, date of layoff

The same information will also be supplied for all USWA-represented salaried employees on a monthly basis during the term of the Agreement.

Very truly yours,

John L. Kluttz
Co-Chairman, Negotiating Committee
Bethlehem Steel Corporation

Confirmed:
Thomas M. Conway
Co-Chairman, Negotiating Committee
United Steelworkers of America

APPENDIX 45

August 1, 1999

Mr. Thomas M. Conway, Chairman
Co-Chairman, Negotiating Committee
United Steelworkers of America
101 7 West Ninth Avenue
Suites A & B
King of Prussia, PA 19406
Dear Mr. Conway:

During these negotiations the Union expressed concern over future payments, by the Company, of health care and life insurance benefits for retirees despite the Company's history of providing such benefits in the past. The Union proposed the establishment of a dedicated trust, in the form of a Voluntary Employee Beneficiary Association (VEBA).

To address the Union's concern, the Company agrees to establish an arrangement to enable the Company to begin to fund future health care and life insurance benefits for retirees from bargaining units represented by the Union.

Funding, which may be in the form of Company stock and/or cash shall proceed over time allowing the Company flexibility in order to meet its other financial obligations; provided, however, a $5 million contribution shall be made in 1993 subject to receipt by the Company of a favorable ruling from the Internal Revenue Service that current assets in the Company's Social Insurance Plan Trust can be used to satisfy such requirement without adversely affecting the tax-exempt status of the Trust or causing the Company to incur additional tax liability. Absent such favorable ruling, a $5 million contribution shall be made in 1993. Subsequent contributions will be in accordance with Attachment A.

The funding arrangement will be started using the concept that payment of current liability for health care benefits for retirees will continue to be paid directly by the Company. Cash and/or Company stock contributions made by the Company pursuant to this funding arrangement may be used to pay retiree life insurance liability; however, such contributions may not be used for the payment of current liability for retiree health care benefits until such time as the funding level for the present value of future health care and life insurance benefits for retirees from bargaining units represented by the Union as determined under FASB Statement No. 106 is at least 50 percent.

The Company will grant a mortgage in favor of the VEBA ("Mortgage") on the properties listed on Attachment B ("Mortgage Properties") until the funding level is at least 75 percent as determined under FASB Statement No. 106. The lien of the Mortgage will be subordinate to any existing liens or encumbrances and to future liens on the Steel General Office Building which may be provided to secure, directly or indirectly, environmental, workers' compensation and black lung obligations of the Company and its basic steel and steel related operations to the State of Pennsylvania. The lien of Mortgage will be released if any Mortgage Property is sold to a third party in an arms length transaction, and the Company will apply one-half (50%) of the net cash proceeds it receives from such sale to fund the VEBA.

Until the funding level is at least 75 percent as determined under FASB Statement No. 106 the arrangements for establishing the trust will contain a covenant by the Company in the form of the covenant attached and marked Attachment C [Section 5.04].
The above undertakings by the Company shall be contingent upon the Company obtaining a favorable tax ruling if the arrangement is in the form of a VEBA and the absence of future legislation or governmental regulation, including national health care reform, which would preclude such an arrangement. In any such event, the matter will be referred to the Company and Union Co-Chairmen for resolution. If they are unable to resolve the matter it shall be submitted to arbitration under mutually agreeable procedures.

If the foregoing accurately reflects our agreement, please confirm by signing below.

Very truly yours,

BETHLEHEM STEEL CORPORATION
John L. Kluttz
Co-Chairman, Negotiating Committee

Confirmed:
UNITED STEELWORKERS OF AMERICA
Thomas M. Conway
Co-Chairman, Negotiating Committee
Attachment A
To
APPENDIX 45

VEBA FUNDING

The Company shall make annual contributions equal to 15% of net cash flow in years in which no dividends on common stock are paid or 25% of net cash flow in years in which dividends on common stock are paid with cash flow defined as net income (loss)

A. Plus
   1. Adjustments for items not affecting cash from operating activities
      a. Depreciation and Amortization
      b. Deferred Income Taxes

   2. Working capital changes

B. Minus
   1. Capital expenditures
   2. Pension funding in excess of pension expense
   3. Required debt and capital lease repayments on amounts outstanding as of June 30, 1993
   4. Restructured facilities payments
   5. Preferred stock dividends paid

Subject to available liquidity in excess of $500 million at December 31 under current bank revolver but with annual minimum of $5 million, $10 million in years in which dividends are paid on common stock in four quarters. The $5 million annual minimum shall be contributed by June 30 of each year. Any additional contributions required by this funding arrangement shall be paid by April 30 of the succeeding year.

Attachment B
To
APPENDIX 45

Certain operations and real estate owned by Bethlehem, including its Steel General Office Building in Bethlehem, Pennsylvania.
Section 5.04. The Corporation will not, and will not permit any subsidiary to, incur, assume or guarantee any indebtedness for money borrowed (indebtedness for money borrowed being hereinafter in this Article Five called "debt") if such debt is secured by a pledge of, or mortgage or other lien on, or security interest in (any pledge, mortgage or other lien or security interest hereinafter in this Article Five called "mortgage" or mortgages) all or a part of any of the principal steel plants, or any shares of stock of, or debt of, any steel company subsidiary, whether such plant, shares or debt are owned at the date of this Indenture or shall be thereafter acquired, without effectively providing that the Debentures (together with, if the Corporation shall so determine, any other debt of the Corporation then existing or thereafter create ranking equally with the Debentures, including guarantees of indebtedness of others) shall be secured equally and ratably with (or prior to) such debt; provided, however, that the restrictions of this Section 5.04 shall not apply to:

(a) debt secured by mortgages on property of any corporation existing at the time such corporation becomes a subsidiary;

(b) debt secured by mortgages on property existing at the time of acquisition thereof or to secure the payment of any part thereof or to secure any debt incurred prior to, at the time of or within ninety days after the acquisition of such property for the purpose of financing any part of or all the purchase price thereof; and

(c) any extension, renewal or replacement (or successive extensions, renewals or replacements) in whole or in part, of any mortgage referred to in the foregoing clauses (a) and (b) or of any debt secured thereby; provided, however, that such extension, renewal or replacement mortgage shall be limited to any part of or all the same property that secured the mortgage extended, renewed or replaced (plus improvements on such property).

For the purpose of this Article Five,

(i) the term "principal steel plants" shall mean the plants in the United States of America of the Corporation and its subsidiaries as a group for the production or manufacture of steel or steel products, except any such plant which, in the opinion of the Board of Directors of the Corporation, is not one of the principal plants of such group for the production or manufacture of steel or steel products.

(ii) the term "subsidiary" shall mean any corporation more than 50% of the outstanding securities of which having ordinary voting power (other than
APPENDIX 46

Mr. Thomas M. Conway, Chairman
Union Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Re: Coordinators

Dear Mr. Conway:

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 Employee and Union Participation Agreement, the Revitalization of Trade and Craft Training 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 two (2) 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 Revitalization of Trade and Craft Training.
Programs. 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 the 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.

Very truly yours,

BETHLEHEM STEEL CORPORATION

_________________________________
John L. Kluttz
Co-Chairman, Negotiating Committee

CONFIRMED:

_________________________________
Thomas M. Conway, Chairman
Union Negotiating Committee
APPENDIX 47

WORKPLACE HARASSMENT AWARENESS AND PREVENTION

Mr. Thomas M. Conway, Chairman
Union Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, Pennsylvania 15222

Dear Mr. Conway:

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 nondiscrimination provision of Article II, Section 1(d). 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 facilitates in the area of harassment awareness and prevention on a periodic basis, as agreed to be appropriate by the local parties.

A representative of the USWA Civil Rights Department and a representative designated by the Company's Human Resources Department will work together to develop harassment and prevention education, with input from the Business Division and Local Unions.

With six (6) months of the effective date of this agreement, appropriate personnel at each Business Division will then be trained as trainers, with input from the Joint Committee on Civil Rights.

Within one (1) year of the completion of the local trainers' training, the following training for all Business Division 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 to receive one (1) to two (2) hours of training 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.

All bargaining unit employees shall be compensated for time spent attending these sessions in accordance with established local practices.

Sincerely,

__________________________________
John L. Kluttz
Co-Chairman
Bethlehem Steel Corporation

Agreed:

____________________________
Thomas M. Conway, Chairman
Union Negotiating Committee

APPENDIX 48

LETTER AGREEMENT ON TRANSFER RIGHTS

August 1, 1999

Mr. Thomas Conway
Union Negotiating Committee
United Steelworkers of America
Five Gateway Center
Dear Mr. Conway:

During negotiations leading to the August 1, 1999 Basic Labor Agreement certain transfer restrictions, set forth in Article X, Section 12 (c) 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,

BETHLEHEM STEEL CORPORATION

John L. Kluttz
Vice President, Union Relations

CONFIRMED:

Thomas M. Conway, Chairman
Negotiating Committee
APPENDIX 49

LETTER AGREEMENT ON UNION ROLE IN NEGOTIATION OF BENEFITS

August 1, 1999

Mr. Thomas M. Conway, Chairman
Union Negotiating Committee
United Steelworkers of America
Five Gateway Center
Pittsburgh, PA 15222

Dear Mr. Conway:

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 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; [Inflation Recognition 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:

“This wages and benefits are negotiated on your behalf by your Union, the United Steelworkers of America. Bethlehem Steel Corporation 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,

John L. Kluttz
Vice President -
Union Relations
Bethlehem Steel Corporation

Agreed: _____________________________
Thomas M. Conway, Chairman
Union Negotiating Committee

APPENDIX 50

ARBITRATION PROCEDURE

BETHLEHEM STEEL CORPORATION
AND UNITED STEELWORKERS OF AMERICA

1. **Appeals to Arbitration**

   After completion of the Step No. 4 proceedings as set forth in Article XI of the Main Agreement, a grievance may be appealed by...
the Union to the Impartial Umpire by giving notice in writing to the Company.

(a) Within 30 calendar days after the date of the meeting at which discussion of such grievance under Step No. 4 shall have been completed, or

(b) Within 20 calendar days after a draft of the minutes of such meeting shall first have been received by a representative of the Union, whichever of those periods shall last expire.

In the case of a discharge grievance, the Union's appeal shall clearly designate that the grievance involves discharge of an employee.

Effective with grievances heard in Step No. 4 on or after August 1, 1999, the filing of statements of issue, currently the practice, shall remain in effect for all grievances unless (i) the parties agree to file a pre-hearing brief or (ii) the Impartial Umpire determines that, due to the nature of the issue in the grievance, the filing of a pre-hearing brief is necessary. If a pre-hearing brief is to be filed, it shall conform to the following paragraphs.

2. Pre-Hearing Briefs

Not later than 50 calendar days prior to the commencement of the arbitration hearing at which a grievance is scheduled to be heard, the Union shall file with the Impartial Umpire and the Company a pre-hearing brief setting forth the Union's position with respect to such grievance. The Company shall file with the Impartial Umpire and Union a pre-hearing brief setting for the Company's position with respect to the grievance not later than 20 calendar days prior to the commencement of such hearing, provided, however, in respect of grievances concerning disciplinary suspension, the Company, not later than 50 calendar days prior to the commencement of the arbitration hearing at which such a grievance is to be heard, shall file with the Impartial Umpire and the Union a pre-hearing brief setting forth the Company and the Impartial Umpire a pre-hearing brief setting forth the Union's position with respect to such grievance not later than 20 calendar days prior to the commencement of such hearing.

The Company shall send to the Impartial Umpire, promptly after the appeal to arbitration, copies of the Steps No. 3 and 4 Minutes relating to such grievances and shall send to the Union's Director, Arbitration Department a copy of the appeal letter.

With respect to grievances concerning discharge, the Company, within 15 calendar days after receipt of the Union's written notice of appeal of such grievance to the Impartial Umpire, shall file with the Impartial Umpire and the
Union a pre-hearing brief setting forth the Company's position with respect to such grievance, and the Union shall file with the Company and the Impartial Umpire a pre-hearing brief within 15 calendar days after receipt of the Company's brief.

Consistent with the basic labor agreement, pre-hearing briefs filed with the Impartial Umpire shall fully disclose the material facts and arguments which are to be presented to him by the parties for his consideration. The decision of the Impartial Umpire will be restricted to whether the violation of the Agreement alleged in the pre-hearing brief exists and, if a violation is found, to specify the remedy in accordance with the terms of the Agreement.

An Impartial Umpire to whom any grievance shall be submitted in accordance with the provisions of this Section [3 of Article XI of the Agreement] shall, insofar as shall be necessary to the determination of such grievance, have authority to interpret and apply the provisions of the Agreement, but he shall not have authority to alter in any way any of such provisions. The impartial umpire shall also have similar authority with respect to the Insurance Agreement between the parties (including the Program of Insurance Benefits (PIB) and shall be limited to the application of the terms of the Insurance Agreement (including PIB) to the extent necessary to determine the disposition of grievances properly arising under Article XXI of this Agreement.

The decision of such Impartial Umpire on any matter properly referred to him shall be final and binding upon the Company, the Union and all employees concerned therein.

3. Hearing Scheduling, Hearings and Grievance Disposition

(a) Hearing Schedule


(1) In each case, the Impartial Umpire, the Manager of Union Relations of the Company and the Union's Director, Arbitration Department, shall set a date for a hearing and the announcement of such date shall be made by the Impartial Umpire pursuant to a periodically published arbitration docket schedule. Subject to 3 (b) below, at locations where the parties have agreed to open dockets, the local representatives of the parties may arrange the scheduling of cases to be heard on scheduled dockets for one year after the date of appeal. After one year, the case shall be included and heard on the next scheduled docket for the location. The case may be postponed only if the Union's Director, Arbitration Department in Pittsburgh responsible for arbitration
and the Company's Manager, Union Relations agree that good cause exists for a postponement. Any dispute about whether a case should be postponed shall be resolved by the Impartial Umpire.

All grievances listed on the published docket schedule for arbitration, including those which may be subsequently added to the schedule by the designated representatives of the Company and the Union pursuant to 3 (a) (2), shall be presented at the scheduled docket and decided by the Impartial Umpire unless (i) the parties agree to hold a grievance pending an umpire or court decision, (ii) the grievance is resolved prior to the hearing, or (iii) the Impartial Umpire determines there is insufficient time on the schedule docket for a fair hearing.

(2) A discharge grievance shall be scheduled and heard on the next scheduled docket after it is appealed to arbitration, provided that such docket is between fourteen and thirty days from the appeal date. If there is no such scheduled docket, the parties shall arrange with the Impartial Umpire to schedule a special hearing of the discharge grievance not later than thirty days from the appeal date.


(b) Hearing Days

Hearing days will not continue beyond 6:00 p.m. and will normally conclude by 5:00 p.m. unless the company and the International Union. representatives at a hearing agree to extend the time and the arbitrator determines circumstances warrant extending the time.

(c) Witness

Neither the Company nor the Union will use as a witness at an arbitration hearing any person who is not an employee of the Company without first having given the other party, in advance of the beginning of the hearing during which the witness will be called to testify, at least 72 hours notice of the appearance of such witness and the purpose of such witness's testimony. Such notice shall not be required, however, if the hearing is one held under the provisions of Article XIV, Section 3, of the Agreement or in expedited contracting-out cases under Article II, Section 4.

The Company agrees that it shall not subpoena or call as a witness in
arbitration proceedings any employee (or retiree) from a P&M or O&T bargaining unit. The Union agrees that it shall not subpoena or call as a witness in such proceedings any non-bargaining unit employee (or retiree). This section shall also apply to a discharge hearing under Article XII, Section 2 of the Agreement.

4. **Stenographic Records**

   *Arbitration Procedure Rules Rev June 5, 1981*

   Stenographic records of arbitration will not be taken except in respect of grievances involving discharge, incentive (both Award and Article V, Section 2, incentives) job description and classification disputes and any other grievances as to which it is agreed by representatives of the Company's Manager of Union Relations and the Union's Director, Arbitration Department. In consultation with the aforementioned representatives, the Impartial Umpire also may arrange to have a stenographic record taken for his use when he believes the nature of the case or other special circumstances require. In hearings on grievances where a stenographic record is not taken, the Impartial Umpire shall augment his notes by use of appropriate mechanical tape recording devices to record, other than off-the-record comments, the complete proceeding of all such grievances. Such taped records, after their use by the Umpire shall be retained by him for a period of ten years after the decision has been issued, unless the Union or the Company requests a record be retained for a longer period. The taped record shall be made available to the Union or the Company for review upon request. Also upon request, the Umpire will arrange to provide, at the requesting party's expense, a copy of the taped record or a transcript made from the taped record.

5. **Post-Hearing Briefs**

   *Arbitration Procedure Rules Rev. June 5, 1981*

   Post-hearing briefs shall not be filed in any case except upon the specific request of the Impartial Umpire or by leave of the Impartial Umpire.

6. **Decisions**

   In each case, a decision shall be rendered not later than 90 days following the hearing except in the case of a discharge grievance where a decision must be rendered within 60 days of the appeal to arbitration.

Each decision of the Impartial Umpire shall include a statement setting forth the

(a) Date of presentation of complaint  
(b) Date of appeals and meetings in each step of the grievance procedure  
(c) Date of appeal to arbitration  
(d) Date of hearing  
(e) Date of receipt of transcript, if any

The Company shall supply the arbitrator with information relating to Items (a) through (c), above.

Except as the Agreement otherwise expressly provides, an award of the Impartial Umpire in respect of any grievance submitted to him shall not in any case be made retroactive to a date prior to the date on which the initial complaint shall have been first discussed in the procedure set forth in Section 2 of Article XI. An award of the Impartial Umpire in respect of any grievance concerning rates of pay (other than a grievance arising out of the provisions of Article V of the Agreement), overtime compensation, call-in pay, shift premiums, suspensions, seniority, holidays and vacations shall be made retroactive to the date of the occurrence or non-occurrence of the event upon which the grievance is based, but not in any case prior to a date 30 days before the complaint shall have been first discussed in such procedure.

In each case, two copies of the decision shall be sent to the Manager of Union Relations of the Company and two copies shall be sent to the Union's Director, Arbitration Department.

This requirement shall also apply to expedited contracting out decisions under Article II, Section IV and Article XIV, Section 3, decisions; however, in addition thereto, the Impartial Umpire shall notify the above parties and appropriate plant and Union representatives by telegram, normally within 48 hours of the conclusion of an expedited contracting decision under Article II, Section IV and Article XIV, Section 3 hearing, of his disposition of the grievance and, in summary form, his reasons therefore.

Memorandum Decisions

April 15, 1988 - Francese/Kovacevic Understanding

In order to reduce arbitration costs and promote the prompt issuance of decisions, grievances heard in arbitration by the Impartial Umpire or any of
the associate arbitrators may be decided by the use of memorandum decisions under the following conditions:

- The parties' arbitration representatives who present a grievance in arbitration must make a joint request of the arbitrator prior to or during the course of the hearing to issue a memorandum decision. In the absence of joint agreement of the arbitration representatives, the arbitrator shall issue a full decision. A50.43

- Any memorandum decision issued pursuant to such a joint request shall be non-precedential and shall not be referred to in any subsequent arbitration proceeding involving the same or a similar issue. A50.44

- A memorandum decision shall be issued within 30 days of the close of the hearing at which the grievance is presented. A50.45

- The memorandum decision option shall not apply to discharge grievances and expedited contracting out or safety disputes. A50.46

7. **Special Procedure - Job Classification**


Job classification grievances shall be processed under the procedure set forth in Article V, Section 1, of the Agreement. Appeals of such grievances to arbitration shall be in accordance with the following provisions:

(a) Within 30 days after the last meeting between the Step No. 4 representatives of the parties or within 20 days after receipt of the Job Stipulation by the Union’s Step No. 4 representative, as provided for in Article V, Section 1(c) of the Agreement, the Union's Step No. 4 representative may appeal the issues in dispute to arbitration by notice in writing to the Manager of Union Relations of the Company. The Manager of Union Relations shall thereafter send a copy of the notice to appeal and the stipulation to the Impartial Umpire. A50.50

(b) If a job classification grievance is submitted to arbitration, the issues shall be limited to the factors finally stipulated as being in dispute pursuant to the provisions of Article V, Section 1(c)(3) of the Agreement. The Impartial Umpire shall decide the factors in dispute in accordance with the Manual for Job Classification of Production and Maintenance.
Jobs. In the case of a new job, the Impartial Umpire's decision shall be effective as of the date when the new job was established. In the case of a changed job, the decision shall be effective as of the date the change in job content occurred or the new job classification was submitted, but in no event earlier than 30 days prior to the date the grievance was presented in written form to the Management under the provisions of Article V, Section 1(d) of the Agreement.

8. Special Provisions - Regional and Inter-Regional Job Opportunities Program


The parties have agreed, as provided in Article X, Section 18(c) and (d) of the Agreement, to a special procedure for handling grievances arising under that Section up to the point of arbitration. The Normal procedure for processing grievances in arbitration applies to those grievances. The Impartial Umpire may, however, award back pay in respect of any such grievance only if he finds that there has been willful and deliberate non-compliance with the provisions of that Section. His award is further limited by the provision of paragraph (e) the period commencing 4 days or the beginning of the payroll week, whichever is later, after receipt by the Company of specific written notice of its alleged error.

9. Contracting-Out Grievances


**June 1, 1990 Valtin Memo**

(a) **Who Goes First?**

The Agreement places greater emphasis on information which is usually in the Company's possession, particularly in expedited cases. The Company is thus usually in a better position to present the initial explanation of the work involved to the arbitrator. Based solely on this practical consideration, the company agrees to go first in contracting-out cases. Except as provided below, this will apply to both "regular" and "expedited" cases and, as to the "expedited" cases, regardless of which side has asked for the expedited processing. Burden of proof questions in deciding the cases will be dealt with by due regard for what is presented and will not be influenced by the fact that the Company has gone first.
The foregoing will not apply in cases where it is alleged that one or the other party is seeking to overturn an agreement reached by the Contracting-Out Committee or where procedural questions (for example, a breach of the notice-giving provision) are raised. The sequence of presentation in such situations will be that the Union shall go first.

(b) Expedited Contracting-Out Arbitration Hearings

April 15, 1988 - Francese/Kovacevic Understanding

The parties' arbitration representatives, during the course of such a hearing, may refer to but not cite both Bethlehem and non-Bethlehem non-precedential expedited arbitration decisions and supply copies to the arbitrator. Such decisions will be mentioned, with only short explanatory comments, exclusively for the purpose of shedding light on the position taken by the introducing party, will not be used as the basis for arguments with respect to how the arbitrator should decide the dispute and will not be given any precedential weight by the arbitrator or referred to by him in his decision.

The parties' arbitration representatives are encouraged, but shall not be required, to give each other prior notice when they intend to use a non-employee witness in presenting an expedited contracting out case as provided in paragraph 3.

10. The Impartial Umpire and Associate Arbitrators


The Impartial Umpire may use the services of associate arbitrators selected by the Manager of Union Relations of the Company and the Union’s Director, Arbitration Department to hear specific cases assigned to them.

Associate arbitrators will submit a draft of each decision to the Impartial Umpire for review and signature. The decision will not be issued until the Impartial umpire permits its issuance. The Impartial Umpire shall make every effort to issue a decision within 30 days. The Impartial Umpire is responsible for assuring that the decision conforms to the proper interpretation of the provisions of the Agreement consistent with prior decisions and not be
disruptive of the parties bargaining relations. The decisions of
associate arbitrators shall be final and binding upon the parties as
those of the Impartial Umpire when signed by the Impartial
Umpire.

11. **Suspensions and Discharges**

If the impartial umpire shall determine that an Employee was
discharged or suspended for just cause, such impartial umpire shall
not have authority to modify the degree of discipline imposed by
the Company.

12. **Miscellaneous Provisions From Article XI, Section 3**

*Wage Inequity Claims:* Except as in this Agreement otherwise expressly provided, any grievance which shall involve any claim that any then existing wage rate should be changed shall not be submitted to arbitration under the provisions of this Section, unless the Company and the Union shall specifically agree in writing so to submit such grievance or unless such claim is that such wage rate was established or increased or decreased in contravention of the provisions of this Agreement.

*Exclusion From Arbitration of Discussions on Changes in the Agreement:* The proposals made by each party with respect to changes in the Agreement 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 Agreement.

Burt J. Dixon  John L. Foutz  Robert A. Burns  Ralph Salazar
Local 2609  Local 2604  Local 9084  Local 2601

Joseph R. Rosel, Jr.  Frank C. Rose  Paul E. Gipson
Local 4727  Local 2610  Local 6787