

## **AGREEMENT**

THIS AGREEMENT, which is effective April 1, 2005, is entered into by and between CASCADE STEEL ROLLING MILLS, INC., or its successors, for its plant located at 3200 N. Highway 99W, McMinnville, Oregon (hereinafter referred to as the "Company") and the UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION, AFL-CIO, for and on behalf of its Local Union 8378 (hereinafter referred to as the "Union"). The term "successors" as used herein shall mean any company owned or controlled by any of the persons who now own or have the right to control Cascade Steel. This contract supersedes all previous contracts or agreements.

### **ARTICLE 1: PURPOSE AND INTENT**

The purpose of the Company and the Union in entering into this Labor Agreement is to set forth their agreement on rates of pay, hours of work, and other conditions of employment.

### **ARTICLE 2: RECOGNITION**

The Company recognizes the Union as the exclusive representative for the purpose of collective bargaining in respect to rates of pay, wages, hours of work, and other conditions of employment for all employees as defined herein. The term "employee" as used in this Agreement shall include all regular hourly rated production (including the work awarded to the Union in the arbitration award of July 12, 1985, Case No. 84K/21654) and maintenance workers in the Company's plant at McMinnville, Oregon; excluding quality assurance employees, inspectors, salaried employees, watchmen, guards, foremen, rollers, melters, weighmasters, front office janitorial employees, truck drivers and all other salaried, supervisory employees.

In addition to its McMinnville, Oregon operations, this Agreement shall also fully cover all "employees," as defined above, to the extent that seniority for all purposes shall be fully portable, in any new melt shop built to supplement or replace existing facilities and located within either Oregon or Washington.

### **ARTICLE 3: NO DISCRIMINATION**

#### Section 3.1:

No employee shall be discharged or discriminated against for upholding Union principles. Any individual who works under the instruction of the Union or who serves on a Union committee shall not lose his/her position or be discriminated against for this reason. Any employee member of the Union acting in any official capacity shall not be discriminated against for his acts as such officer of the Union, nor shall there be any discrimination against any employee because of Union membership or activities. The provisions of this Section shall apply as long as an employee's acts or activities do not interfere with the conduct of the Company's business or violate the terms and conditions of this Agreement.

Section 3.2:

It is agreed that the Company and the Union shall comply with all the appropriate state and federal statutes dealing with discrimination. Civil rights grievances will be fully grievable under the grievance and arbitration procedure.

Section 3.3:

All provisions of this Agreement shall apply alike to male and female employees. Masculine pronouns or references in this Agreement shall be deemed to include feminine pronouns or references. Therefore, any reference to gender in this Agreement is for explanatory purposes only and is not intended to refer to the actual gender of any person.

**ARTICLE 4: BARGAINING UNIT WORK**

Section 4.1: Performing Bargaining Unit Work

No supervisor shall perform work normally performed by a member of the bargaining unit except in an emergency, in the instruction of workers, to prevent damage to the facilities, in the protection of property, for the safety of employees, or to prevent a production shutdown.

Section 4.2: Shift Leader

- A. A shift leader is a bargaining unit employee who has been assigned to lead a shift or crew in the absence of a supervisor, or for other necessary reasons as determined by the Company. Qualifications shall be determined solely by the Company. If in its judgment, qualifications are relatively equal, assignment shall be by seniority. A junior employee shall not be assigned a shift leader position to avoid being displaced in the department by a senior employee during layoff or a reduction in force.
- B. A shift leader is not a supervisor. Provisions for promoting bargaining unit employees to supervisor positions are covered under Section 16.3 of this Agreement.
- C. Pay rates shall be equal to the highest bargaining unit rate in the department, plus Two Dollars (\$2.00) per hour if in the Maintenance, Melt Shop, or Rolling Mill departments, and One Dollar and Fifty Cents (\$1.50) for all other departments.

Section 4.3: Experimental Work

New or experimental equipment will be operated by employees of the bargaining unit when placed in production operations.

Section 4.4: Training

Employees of the bargaining unit may be trained by supervisors or by other employees of the bargaining unit that are qualified and available to do so.

**ARTICLE 5: MANAGEMENT**

Section 5.1: Management Rights

The management of the plant and the direction of the working forces, including the right to direct, plan and control plant operations, the right to hire, promote, demote, lay-off, suspend or discharge employees for just cause, subcontract, or to establish work schedules and make changes therein essential to the efficient operation of the plant, or the right to introduce new improved methods or facilities and to manage the properties, is vested exclusively in the Company; provided that in the exercise of these rights, the Company agrees that it will not violate any provisions of this Agreement or discriminate against any employee in accordance with state and federal laws. It is agreed that these enumerations of management functions shall not be deemed to exclude other proper functions not specifically listed herein. It is the intent of this article that management reserves all rights to manage and make entrepreneurial decisions except as those rights are limited by any provision of this Agreement.

Section 5.2: Contracting Out

The Company will not contract with outside contractors for the furnishing of labor to be employed at its McMinnville, Oregon plant except for: construction, installation of new equipment, or maintenance work of such a nature as to preclude the use of present employees due to lack of company or employee expertise, insufficient skills or experience or due to emergencies.

Section 5.3: Plant Rules

The Union agrees that the Company may establish and implement reasonable plant rules not inconsistent with this Agreement, and the Company agrees that it will discuss and advise the Union of any modifications to such plant rules prior to their posting. The Union may challenge the plant rules anytime after they are promulgated through Article 28, Adjustment of Grievances.

**ARTICLE 6: UNION MEMBERSHIP AND CHECK-OFF**

Section 6.1: Union Membership

All employees covered by this Agreement shall as a condition of continued employment on or before the thirty (30) calendar days following the beginning of their employment or the effective date of this Agreement, whichever is later, acquire and maintain membership in the Union.

- A. The Company will deduct from the wages of each employee covered by this Agreement who has worked 40 hours or more during the preceding month, upon

written authorization of the employee, an amount equal to the regular monthly dues of the Union. Such deduction will be made from the first paycheck of each month and transmitted monthly to the International Treasurer of the Union.

- B. The Company will also deduct from the wages of those employees who so authorize, and transmit to the International Treasurer of the Union in the same manner as dues withheld, the initiation fee of the Union and such assessments as may be designated to the Company by the International Treasurer of the Union.
- C. The authorization for the deductions set forth in Sections 6.1(A) and 6.1(B) above shall be in the following form:

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY,  
ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION, AFL-CIO  
Local Union No. 8378

I hereby request and accept membership in the UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION, AFL-CIO, and of my own free will authorize the United Steelworkers of America, its agents or representatives to act for me as a collective bargaining agency in all matters pertaining to rates of pay, wages, hours of employment, or other conditions of employment, and to enter into contracts with my employer covering all such matters, including contracts which may require the continuance of my membership in the United Steelworkers of America as a condition of my continued employment.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

*(reverse side as follows:)*

CHECK-OFF AUTHORIZATION  
FOR  
UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY,  
ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION, AFL-CIO  
Local Union No. 8378

\_\_\_\_\_  
Company

\_\_\_\_\_  
Date

Pursuant to this authorization and assignment, please deduct from my pay each month, while I am in employment within the collective bargaining unit in the Company, monthly dues, assessments and (if owing by me) an initiation fee each as designated by the International Treasurer of the Union, as my membership dues in said Union.

The aforesaid membership dues shall be remitted promptly by the Company to the International Treasurer of the United Steel, Paper And Forestry, Rubber, Manufacturing, Energy, Allied Industrial And Service Workers International Union, AFL-CIO, or its successor, Five Gateway Center, Pittsburgh, Pennsylvania 15222.

This assignment and authorization shall be effective and cannot be cancelled for a period of one (1) year from the date appearing above or until the termination date of the current collective bargaining agreement between the Company and the Union, whichever occurs sooner.

I hereby voluntarily authorize you to continue the above authorization and assignment in effect after the expiration of the shorter of the periods above specified, for further successive periods of one (1) year from such date. I agree that the authorization and assignment shall become effective and cannot be cancelled by me during any of such years, but that I may cancel and revoke by giving to the appropriate management representative of the plant in which I am then employed, an individual written notice signed by me and which shall be postmarked or received by the Company within fifteen (15) days following the expiration of any such year or within fifteen (15) days following the termination date of any collective bargaining agreement between the Company and the Union covering my employment if such date shall occur within one of such annual periods. Such notice of revocation shall become effective, respecting dues for the month following the month in which such written notice is given; a copy of such notice will be given by me to the Financial Secretary of the Local Union.

Local Union No. 8378  
United Steelworkers

Signature

- D. The sole authorized representative of the Union for the purpose of certifying the amount of any change in monthly dues or initiation fees to be deducted by the Company, shall be the International Treasurer of the Union.
- E. The Company agrees to notify the Union, in writing, within seven (7) days from the date of the first employment of employee subject to this Agreement, of the name of such employee, his Social Security number, the position for which employed, and the date of first employment.

Section 6.2: Indemnity Clause

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

## **ARTICLE 7: PROBATIONARY EMPLOYEES**

### Section 7.1: Time Limit

The probationary period for new employees hired on or after February 1, 1994, is six hundred eighty (680) hours of accumulated actual work within twelve (12) months. Probationary employees are not eligible for any employee benefits during their probationary period other than health and welfare in accordance with the provisions of Article 17 of this Agreement and pension payments which shall be made on account of hours worked by probationary employees from the first hour worked. In addition, a probationary employee who successfully completes the probationary period will be paid holiday pay for any holidays that fell within that period. Probationary employees may be laid off, disciplined, or terminated at the Company's sole discretion and such action shall not be subject to the grievance and arbitration procedure. Wage rates for probationary employees hired after ratification are referenced in Appendix A, entitled "Hourly Wage Rates." The probationary wage rate will not be adjusted for any step-up purpose until completion of the probationary period. Cost of living adjustments are not applicable to probationary employees (see attached Appendix A - "Hourly Wage Rates"). Probationary employees shall work at the probationary-trainee rate of pay until the first day of the pay period following the completion of six-hundred-eighty (680) hours of actual work.

### Section 7.2: New Employee Orientation

The Union Grievance Committee Chairman, or his designee, will be invited to help orientate new employees (within 30 days of their hire date), provided this time does not interfere with the conduct of the Company's business. Such time off work during normal working hours shall be with pay. Such pay shall not exceed eight (8) hours per month.

## **ARTICLE 8: SENIORITY**

### Section 8.1: Definitions

- A. For the purpose of this Agreement there are two types of seniority, Plant Seniority and Department Seniority.
- B. Plant Seniority is defined as the length of continuous service of an employee within the bargaining unit, and shall accrue from the most recent date of hire or rehire until seniority is broken as follows:
- C. Break in Seniority. A regular employee shall be considered terminated and seniority shall be broken, which means all rights under this Agreement are forfeited, for the following reasons:
  - 1. Whenever the employee quits or retires.
  - 2. Whenever an employee is discharged or terminated for just cause.

3. Whenever an employee on layoff does not notify the Company after recall within four (4) calendar days, excluding Saturdays, Sundays, and recognized holidays under this Agreement after being notified by certified letter or telegram (return receipt requested) with a copy to the Local Union by the Company at his last address as shown on the Company records, whether he intends to return to work. Such four (4) day period shall commence the day notice is received. The Company shall have complied with this Section if a certified letter is returned as non-deliverable.
  4. Whenever an employee returning from layoff does not report for work within five (5) calendar days from the date the employee informs the Company of his intent to return to work.
  5. Whenever an employee fails to report to work at the expiration of a leave of absence.
  6. Whenever an employee has been laid off for a period exceeding three-hundred-sixty-five (365) days.
  7. Whenever an employee has incurred an off-the-job injury or illness for a period exceeding two (2) years.
  8. Whenever an employee has incurred an on-the-job injury or illness for a period exceeding three (3) years.
  9. Whenever an employee who has been absent from work due to accident or illness fails to notify the Company of his availability for work the day after being released for work by his treating physician, excluding Saturdays, Sundays, and the recognized holidays under this Agreement.
  10. Whenever an employee is absent for reasons other than layoff or a leave of absence, without prior permission, for more than three (3) consecutive working days unless doing so for reasons beyond his control.
  11. Whenever an employee on leave of absence is found to be working elsewhere without prior permission.
  12. Failure to report any changes in medical status to the designated management safety representative while absent due to sickness or injury, or while on light duty.
- D. Departmental Seniority is defined as the length of continuous service within a department. Department Seniority shall accrue through length of continuous service in a department from the most recent date of hire, bid award, or permanent

assignment to a department in the absence of any qualified bid. Temporary assignment outside of a department will not be considered a break in continuous service in the department. When an employee is reduced or displaced from his department through the application of Section 8.2 of this Article, he shall not lose his Department Seniority in that department.

1. For the purpose of this Article, the following departments have been established: Melt Shop, Rolling Mill, Shipping, Maintenance and Stores, Yard, and Roll Shop.
2. Department Seniority shall be held in only one department at a time.
3. If two or more employees obtain Plant Seniority on the same day, seniority ranking will be alphabetical. If two or more employees obtain Departmental Seniority on the same day, the employee with the most Plant Seniority will be senior.

E. Qualifications: Whenever used in Article 8: Seniority, the terms "qualified" or "qualification" are defined as meaning the ability to efficiently perform the work using existing technology and equipment.

Section 8.2: Reduction in Force

- A. All reductions except as provided herein shall be in accordance with Plant Seniority.
- B. Employees moving into a position different from their bid position must be qualified to perform the work.
- C. The following procedures shall apply whenever a reduction in force occurs in any department:

1. Layoff - 48 hours or Less

In the event a department lays off its work force for up to and including 48 hours, affected employees (based upon Department Seniority) may claim any available work normally performed by bid job holders within the department on the shift affected.

2. Layoff – 2 to 10 Days

- a. In the event a department lays off its work force from two up to ten days, affected employees (based on Department Seniority) may claim any available work on any shift normally performed by bid job holders within the affected department and/or plant utility jobs.

- b. Wage rates shall not be adjusted for employees reduced to a lesser-paying job during a short-term layoff.

3. Layoff - Over 10 days

In the event a department lays off its workforce for more than ten (10) calendar days, affected employees may use their Plant Seniority to claim bid jobs in any other department, if qualified, and/or plant utility jobs. As soon as the Company knows that long-term layoffs will be necessary, the following procedure will be used:

- a. The required number of employees will be reduced out of the department by Plant Seniority. The remaining employees will then select their new position (job and shift) and work week (in a department having eight, ten, twelve hour shifts with crews having different days off), by Department Seniority using the shotgun bid method. That is, employees will inform their superintendent or designated representative of their desire to occupy the unfilled position, and awards will be made by Department Seniority. Such awarded bids will become the employees' new bid positions.
- b. After the one-time shotgun bid method has been used to return to full crew occupancy, new openings will be filled as per all of the rules associated with a normal bid process. When it becomes necessary to return to a full crew or to add an additional crew, all employees will return to their previous bid jobs and shifts held prior to the layoff or reduction of a crew. At that time any unfilled bid positions will be handled by a "shotgun" bid. That is, employees will inform their superintendent or designated representative of their desire to occupy an unfilled position, and awards will be made by Department Seniority. With the exception of the posting procedures, jobs awarded by this shotgun method will fall under the rules associated with a normal bid process. After the one-time shotgun bid method has been used to return to full crew occupancy, new openings will be filled as per all of the rules associated with a normal bid process.
- c. Scheduled Plant Shutdowns. Opportunities for work during scheduled plant shutdown periods will be posted and awarded to the senior qualified employees (by Departmental Seniority) who have signed up as a result of such a posting. In the event that no qualified employee signs up for any such opportunity, the job will be assigned to the junior qualified employee.

- d. Employees shall not be allowed self-disqualification of shotgun bids awarded under the provisions of this Section 8.2
  - e. The Company may disqualify employees from shotgun bid awards within 90 days of the bid award, and in such case, the disqualified employee will bump into any position he or she has the seniority and qualifications to claim.
  - f. Should a department experience an emergent situation causing production to cease for ninety (90) calendar days or less, employees will be restored to the position and shift held prior to the shutdown upon resumption of production.
- D. When a RIF occurs, shotgun bid to fill all jobs, during the subsequent 12 month period if the department returns to the pre-reduction in force staffing, employees will return to their prior bid position they maintained at the time of the 12 month expiration. Vacancies occurring during the 12 month period following the RIF will be filled by bid award. End the current reduction in force status. Following Ratification shipping and rolling mill departments will vote separately as to whether they want to re-bid jobs in their respective departments.
  - E. The employer will make a good faith effort to determine the length of time of a specific layoff at the outset. If the layoff is anticipated to last in excess of ten days or longer, then the company may, if necessary, implement wage adjustments immediately.
  - F. In order to satisfy the seniority provisions of this section, the Company may require an employee to work a combination of shifts, e.g. 8hrs, 10hrs, or 12 hrs. When an employee is assigned to two or more daily work shifts in one work week as a result of this section, the shift with the most number of days assigned will dictate the method of calculating daily overtime.
  - G. Displaced or laid off employees will retain department seniority unless such employee successfully bids to a position in another department.

Section 8.3: Qualifications

- A. Qualifications are not required for any senior employee to displace any junior employee holding a utility job.
- B. If a senior employee is qualified (i.e., has the ability to perform the job in a worker- like manner), seniority as defined in this Article shall rule for all reduction and promotion purposes, although it may happen that a junior employee is better qualified.

Section 8.4: Recall From Layoffs

Employees will be recalled from a layoff in the reverse order of their lay off. This will result in the following:

- A. Employees will be recalled from a layoff in order of greatest Plant Seniority.

- B. Employees not in their regular department will be recalled as needed to openings in their regular department by Plant Seniority. Position and shift preference shall be governed by Department Seniority. Employees may not refuse a recall.

Section 8.5: General Rules

- A. The Company will give four (4) calendar days advance notice of a pending layoff when Section 8.2 becomes effective, unless prohibited from doing so due to reasons beyond the Company's control.
- B. The Company will post schedules reflecting the reduction in force procedures of this Agreement. An employee who believes he is improperly placed under the reduction in force provisions of this Agreement must notify the Human Resources Department immediately after he should have become aware of the improper placement. After the rearrangement for the new schedule, no future rearranging of the schedule shall be considered for the duration of the reduction in force, unless required by a grievance settlement.
- C. Rearrangement of such work schedules may be made by the Company in a manner that will avoid unnecessary overtime or premium pay.
- D. Employees required to change shifts as a result of a bid award or reduction in force bump shall not be entitled to overtime as required in Article 9: Hours of Work and Overtime, unless required to work with less than 12 hours between work shifts.

Section 8.6: Temporary Vacancies

A temporary vacancy is a vacancy in a job created by the bid holder being absent from his/her normal job for any reason and still retaining seniority rights to the job.

Temporary vacancies that are expected to be thirty (30) calendar days or less shall be considered short-term; vacancies expected to exceed thirty (30) calendar days shall be considered long-term. When an initial vacancy is 30 days or less and is subsequently extended by an additional 30 days or less, the vacancy shall be considered short-term.

- A. Short-term temporary vacancies shall be used as opportunities to train for the job, and filled using employees stepped up using the following procedures:
  - 1. Preference shall be given to the senior qualified employee capable of performing the work who is on the shift and who holds the next lower wage rated job(s), and then the capable senior employee on the shift, in order of successively lower wage rated jobs.
  - 2. The least senior qualified employee capable of performing the work, who is working on the shift in the next lower wage rated job or a successively

lower wage rated job, in any event may be forced to accept the step-up vacancy.

3. A temporary vacancy not filled by options 1 or 2 above may be filled by utilizing an employee within the plant-wide utility pool who is on the same shift.
4. When the duration of a short-term temporary vacancy becomes extended for an unusual or an undetermined length of time, the Company and the Union shall review the circumstances and determine whether the vacancy should be considered permanent or long-term.
5. In the event overtime is required to fill temporary vacancies, the overtime provisions in Article 9 shall apply.

B. Long-term temporary vacancies will be jointly reviewed by the Department Head and the Union President, Grievance Chairman, or Department Grievance Representative. Following the joint review, including any such review that may be required under paragraph A.4 above, the Company may, provided the Union representative is in agreement during the review, suspend the short-term provisions above, and fill the vacancy by temporary bid award utilizing the following procedures:

1. The initial vacancy shall be opened for bid by Department Seniority.
2. The three (3) subsequent vacancies directly related to the initial temporary bid award shall be filled utilizing the shotgun bid method, i.e. employees inform their superintendent or designee of their desire to occupy an unfilled position, and awards will be made by Department Seniority.
3. All successful bidders must be qualified to perform the work without additional training.
4. Same job, different shift bid holders shall be eligible to bid a temporary vacancy only when the vacancy is expected to exceed six (6) months.
5. Successful bidders must be moving to equal or higher wage rate positions, except that movement to lower wage rate positions is allowed where the bidder is moving from an eight (8), ten (10), or twelve (12) hour shift to a daily shift schedule of differing length, i.e. eight (8), ten (10), or twelve (12) shift.

C. A new job which is scheduled to last 90 calendar days or less shall be considered long-term if over 30 days, and short term if 30 days or less, and filled in accordance with the applicable provisions herein. All other types of vacancies

shall be considered permanent vacancies and posted for bid in accordance with the terms of Section 8.9.

- D. It is the intent of the parties to use temporary vacancies as opportunities to train for equal or higher paying jobs within the affected department. When additional employees are to be trained through the process of filling temporary vacancies, the next senior qualified employee (and then successively less senior qualified employees) on the shift who indicated his desire will be upgraded until the proper number of employees are trained. The fact that an employee has been trained by upgrading does not in any manner take away any of the rights to bid and be awarded a permanent vacancy from any other employee with the necessary qualifications.
- E. A junior employee who temporarily fills an equal or higher job vacancy shall not be given preference to the job based on such experience if the job is eventually permanently filled.
- F. Production employees drawing a lower wage or employed in a lower class of work may be used temporarily at the option of the Company for a higher class of work, provided, however, that if such work exceeds one (1) hour the employees shall draw the higher wage scale applicable to such work for one-half day. If such work exceeds four (4) hours, the employees shall draw the higher wage scale applicable to such work for time actually worked, at the higher scale; if less than one hour is worked, only time actually worked is paid. Such employees may be returned to the lower wage scale when returning to the lower class of work, provided, however, that if the temporary move-up is due to the fact that another employee comes in late or leaves early, the payment of the higher rate will be limited to actual time worked at the higher paid job.
- G. When an employee is assigned to work with another employee for training purposes, the employee under training shall work at his regular rate of pay. This provision shall not apply when the Company steps up to fill a vacancy and no employee is available to train on the higher job.

#### Section 8.7: Training

Opportunities to train shall be posted within the department for fifteen (15) calendar days. Training opportunities shall be provided in accordance with Department Seniority. Employees who fail to bid for a training opportunity shall not be required to fill that job when it is temporarily vacated and shall not be recognized as a qualified bidder if the job is permanently vacated. In the event a junior employee receives more training time than a senior employee, he shall not be given bid preference to the job based on training time or experience. This provision could result in a senior employee requiring additional training after being awarded the job. A junior employee who is training for a job shall not be used to deprive a senior employee of an overtime opportunity.

An employee who refuses training opportunities must sign a form refusing training, and shall not be recognized as a qualified bidder to that job.

Section 8.8: Straight Shifts

- A. The Company will make a good-faith effort to accommodate employees in shift preference when filling non-bid jobs as long as the efficiency of the operation is not affected. When a temporary vacancy becomes permanent or a permanent vacancy occurs with respect to production employees, Department Seniority shall determine shift preference.
- B. There is no shift preference for filling temporary vacancies of less than one week.
- C. Maintenance Department employees shall have the right to exercise their Department Seniority for shift choice when there is a schedule change.
- D. For purposes of this section of the contract only, a schedule change in the maintenance department as used in paragraph "C" above shall be confined exclusively to the area of maintenance in which the change is actually being made. The separate areas of the maintenance department are: mechanical maintenance, electrical maintenance, mobile maintenance, machine shop, storeroom, maintenance utility, baghouse, and lubrication. A schedule change in any one area does not affect or instigate a schedule change in any other area.

Section 8.9: Job Posting/Bidding Procedure

- A. Probationary employees may bid for plant-wide jobs only.
- B. All department and plant-wide bid jobs will be identified by position and shift. When a new job occurs, or when a permanent vacancy occurs in an existing job, the vacancy shall be posted for a period of ten (10) calendar days. The name(s) of the successful bidder or bidders will be posted within five (5) calendar days. An employee returning from vacation, leave of absence, or any other authorized leave covered by this Agreement may bid a job awarded in his absence within seven (7) calendar days after his return. Bid lists are valid for thirty (30) days. Department bids will be posted in the respective department, and plant-wide bids will be posted at the main entrance gate, employee parking lot gate, and posting site near the Health & Safety bus stop.
- C. If work schedules change, or are expected to change, for a period in excess of thirty (30) calendar days, the changed crews shall be bid using the shotgun method. For purposes of this provision, a schedule change shall be defined as a change in days off, and for ten (10) and twelve (12) hour shifts a change shall be defined as a schedule different from the four (4) on, four (4) off schedule.

- D. Should an entire crew be added to a Department, all positions in the Department shall be bid by the shotgun method.
- E. Vacant Utility positions shall be posted for bid in accordance with the provisions of this Section 8.9 on the first Monday of every odd numbered month, with the intent to move employees into the respective bid positions before the end of that month.
- F. Department bid awards shall be in accordance with Department Seniority. Plant bid awards shall be in accordance with Plant Seniority.
- G. Selection
  - 1. Selection of an employee to fill a permanent vacancy will be made from employees who timely bid on the basis of Department Seniority among the employees who are in the department where the vacancy exists and who have the qualifications to perform the job.
  - 2. If no selection can be made as provided in Section 8.9(G) (1) above because there are no qualified bidders from within the department, a new plant bid will be posted at the main entrance gate, employee parking lot gate, and posting site near the Health & Safety bus stop for ten (10) days, after which the bid job will be awarded to the bidder having the most Plant Seniority.
  - 3. If no selection can be made as provided in Section 8.9(G) (2) above, the vacancy will be filled by assigning the most senior utility employee to the bid. Any employee who is to be transferred from one job to another, incurring a shift change, will be given seventy-two (72) hours notice unless emergency conditions prevent the Company from doing so.
- H. An unsuccessful bidder who has greater seniority than the employee awarded the job, and who feels that he has the qualifications to perform the job, may utilize the grievance procedure to register his protest within ten (10) calendar days of the bid award. If, at the conclusion of Step I there is still disagreement as to the qualifications of the protesting employee, then the grievance committeeman at Step II may request that the protesting employee be given a fair job-related trial or test of his qualifications. The department superintendent will arrange such trial or test of the qualifications for the protesting employee as soon as possible. The department superintendent will determine the type of job-related trial or test of his qualifications and the duration of the trial or test to be given. The department superintendent or his designee, the department grievance person, and, if necessary, a qualified employee on the job shall be present at such trial or test. If, after the trial the department superintendent determines that the employee has the qualifications to perform the job, he will be awarded the job. In the event the department superintendent determines that the employee does not have the qualifications to perform the job, the protesting employee will be so informed as soon as possible. If, after the employee

has been informed that he is not qualified, and the grievance committee member feels that the protesting employee has the qualifications to perform the job, he may so inform the chairman of the grievance committee and the chairman of the grievance committee may continue the grievance into Step III.

I. Disqualification

A successful bidder may disqualify himself or be disqualified by the company within ninety (90) calendar days of his award. An employee disqualifying himself from a job may, at the Company's option, be held on the job until the completion of thirty (30) calendar days after he disqualified himself before returning him to his old classification. He may not bid the same job for ninety (90) calendar days from the date of the award after his first disqualification, and after his second disqualification he may not bid the job for nine (9) months. Where the job content is changed, this paragraph is null and void.

J. Department Self-Disqualification

1. For internal department bids where an employee is changing jobs and moving up in pay rate, the employee may self-disqualify up to two times per year. Declining a bid award before starting work at the job shall not constitute a bid refusal. The employee must submit a self-disqualification in writing within the first ninety (90) days of assuming the new position.
2. An employee may not self-disqualify from a shift-change-only bid.
3. For bids down in wage rate, an employee is allowed one self-disqualification per year. The employee must submit a self-disqualification in writing within the first thirty (30) days of assuming the new position.
4. For bids to lateral positions (different job, same rate of pay) an employee is allowed two (2) self-disqualifications per year. The employee must submit a self-disqualification in writing within the first thirty (30) days of assuming the new position.

K. Plant Self-Disqualification

For plant bids, an employee may self-disqualify up to two (2) times per year. The employee must submit a self-disqualification in writing within the first ninety (90) days of assuming the new position. Declining a plant bid award at any time after posting shall constitute a self-disqualification. On occasions where the employee is bidding for multiple positions at the same time, the employee must declare on the bidding sheets what his preferences are (first choice, second choice, third choice, etc.). If an employee does not indicate preference in writing and has the seniority to be awarded multiple bids, the Company will award the bid assignment that gives the

highest wage rate.

- L. When an employee is awarded a job as a result of his bidding on a posted job and is unable to fill the job satisfactorily or disqualifies himself, he shall be returned to the job from which he bid. An employee returned to a job under provisions of this paragraph shall have his Department Seniority reinstated in his original department.
- M. Any employee returning to regular work from an absence because of an authorized vacation, absence due to illness, injury, or leave of absence will be returned to his former job. If the absence was for an authorized vacation for any duration or for illness, injury, or leave of absence of thirty (30) calendar days or less, the employee may bump to any job vacancy posted within the plant during his absence within forty-eight (48) hours after his return to work, provided he would have been awarded the job in accordance with Section 8.9 of this Agreement.
- N. The Company will notify the Union of the establishment of a new job. A new job usually may be considered established if the job is actually worked over fifty percent (50%) of the time on one (1) given shift for a period of at least thirty (30) consecutive days. A permanent vacancy occurs when the incumbent of the job retains no seniority rights to the job, providing the job has not been discontinued.
- O. Craft-level jobs in a department, if there are no qualified bidders, may be filled by hiring from outside the plant. Employees who bid a Journeyman position or a slot-in Apprenticeship opening are required to submit proof of established qualifications to the Human Resources Department. Bids will be awarded by qualifications. When filling permanent State-approved craft vacancies, senior qualified individuals shall be given the first opportunity to select a permanent job vacancy so long as the efficiency of the operations is not affected. If the senior qualified individual declines the opportunity, the opening will be offered to the next senior qualified person(s) until the opening is filled.
- P. An employee must be eligible to bid a position on the date the posting period expires, otherwise said employee shall be deemed ineligible for that bid.
- Q. Successful bidders will be assigned and report to their new bid awards within thirty (30) days after the bid closes.

#### Section 8.10: Utility Job Classification Rules and Procedures

- A. Employees working within the non-bid utility job classification are subject to be assigned to any department and any shift without regard for seniority. However, during a layoff or reduction in force, those employees that are reduced out of a department into the labor pool will be given shift preference based on their plant seniority.

- B. Employees assigned to the labor pool can only work up to 48 hours per week on 12-hour shifts and 40 hours per week on 8-hour shifts.
- C. Labor pool employees shall only work more than 48 hours in a week under the following conditions:
  - 1. As part of a regularly scheduled crew in a department; and,
  - 2. As an employee of last resort for overtime or step-up positions in a department.
- D. For the labor pool, plant seniority shall be used to determine all reductions in force and/or layoffs.

## **ARTICLE 9: HOURS OF WORK AND OVERTIME**

This Article shall not apply to special agreements between the Company and the Union concerning hours of work and overtime.

### Section 9.1: Definitions

- A. Eight Hour Shift Workday. Eight (8) consecutive hours of work shall constitute a day's work.
- B. Ten Hour Shift Workday. Ten (10) consecutive hours of work shall constitute a day's work.
- C. Twelve Hour Shift Workday. Twelve (12) consecutive hours of work shall constitute a day's work.
- D. Eight Hour Shift Work Week. Five (5) consecutive eight-hour days followed by two (2) consecutive days off shall constitute one work week.
- E. Ten Hour Shift Work Week. Four (4) consecutive ten-hour days followed by three (3) consecutive days off shall constitute one work week.
- F. Twelve Hour Shift Work Week. Four (4) consecutive twelve-hour days followed by four (4) consecutive days off shall constitute one work week.
- G. Payroll Work Week. Sunday through Saturday starting with the regularly scheduled day shift on Sunday. It is understood that for administrative purposes in the accounting department, the work week may be defined differently, but such definition shall not affect any provision of the agreement.

- H. In the event any different work day or work week is desired by either party, such desire shall be subject to mid-term collective bargaining.

Section 9.2: Hours of Work

- A. Eight (8) consecutive hours of work shall constitute a day's work. A lunch break with pay of twenty (20) minutes will be provided during the first five (5) hours of the work day. Each employee will be allowed a ten (10) minute paid break midway between the 2nd and 3rd hour and between the 6th and 7th hour of the work day. Employees unable to take their breaks during their shift due to the Company's operational requirements will receive additional straight time pay for the period of the lost break, however, such time will not be considered time worked for computing overtime.
- B. The payroll work week will start with the regularly scheduled day shift on Sunday of each week.
- C. Five (5) eight (8) hour days shall constitute a normal work week. The Company will make a diligent effort to schedule employees for work so that at least eighty-five (85%) of them shall be scheduled for five (5) days of work and two (2) consecutive days off. The provisions of this Article shall not be construed as guaranteeing to any employee any number of hours of work per day or per week.
- D. Except and unless specifically and expressly provided otherwise in this Agreement, employees shall not be paid for time not worked.

Section 9.3: Shifts

- A. Shifts shall be identified and shift premiums paid in accordance with the following:
  - 1. The Day shift shall normally include all shifts regularly scheduled to commence between Six a.m. and Eight a.m. inclusive. The Day shift shall be known as the first shift of the day. No shift premium shall be paid for all hours worked before, during, and after a non-rotating day shift.
  - 2. The Swing shift shall normally include all shifts regularly scheduled to commence between Two p.m. and Four p.m. inclusive. The Swing shift shall be known as the second shift of the day. In addition to their hourly rate, employees working on a non-rotating Swing shift shall receive twenty-five cents (\$.25) per hour shift premium for all hours worked before, during, and after this shift. Such premium shall be included when calculating overtime after eight (8) hours.
    - a. Effective the first full pay period of April, 2006, the swing shift premium shall be thirty cents (\$.30) per hour for all hours worked

before, during, and after this shift.

- b. Effective the first full pay period of April, 2007, the swing shift premium shall be thirty-five cents (\$.35) per hour for all hours worked before, during, and after this shift.

- 3. The Graveyard shift shall normally include all shifts regularly scheduled to commence between Ten p.m. and Twelve Midnight, inclusive. The Graveyard shift shall be known as the third shift of the day. In addition to their hourly rate, employees working on a non-rotating Graveyard shift shall receive thirty cents (\$.30) per hour shift premium for all hours worked before, during, and after this shift. Such premium shall be included when calculating overtime after eight (8) hours.

- a. Effective the first full pay period of April, 2006, the graveyard shift premium shall be thirty-five cents (\$.35) per hour for all hours worked before, during, and after this shift.

- b. Effective the first full pay period of April, 2007, the graveyard shift premium shall be forty cents (\$.40) per hour for all hours worked before, during, and after this shift.

- B. Rotating Shifts -- There will be no shift premiums for employees working rotating shifts, but they shall be paid in accordance with the following:

- 1. Employees working a rotating two-shift schedule shall receive thirteen cents (\$.13) per hour in addition to their hourly wage rate in Appendix A.

- a. Effective the first full pay period of April, 2006, employees working a rotating two-shift schedule shall receive sixteen cents (\$.16) per hour in addition to their hourly wage rate in Appendix A.

- b. Effective the first full pay period of April, 2007, employees working rotating two-shift schedule shall receive nineteen cents (\$.19) per hour in addition to their hourly wage rate in Appendix A.

- 2. Employees working a rotating three-shift schedule shall receive nineteen cents (\$.19) per hour in addition to their hourly wage rate in Appendix A.

- a. Effective the first full pay period of April, 2006, employees working a rotating three-shift schedule shall receive twenty-two cents (\$.22) per hour in addition to their hourly wage rate in Appendix A.

- b. Effective the first full pay period of April, 2007, employees working rotating three-shift schedule shall receive twenty-five cents (\$.25) per

hour in addition to their hourly wage rate in Appendix A.

Section 9.4: Ten and Twelve Hour Shift

- A. Employees in the various departments or sub-departments may elect to work ten- or twelve-hour shifts. The Melt Shop and Yard departments must be on the same schedule if both elect to work twelve-hour shifts. Likewise, the Rolling Mill and Shipping departments must work the same shifts for twelve-hour shifts. This agreement is to modify the applicable provision of Article 9: Hours of Work and Overtime, under the Basic Labor Agreement for employees working ten- or twelve-hour shifts.
- B. Overtime shall be paid at a rate of 1.65 for all hours worked in excess of forty (40) in the work week. Daily overtime shall be paid at a rate of 1.65 for all hours worked in excess of ten (10) hours on a 4 X 10 hour weekly schedule, or all hours worked in excess of twelve (12) hours on a 4 X 12 hour weekly schedule. Doubletime shall be paid for all hours worked in excess of fifty-six (56) per week.
- C. A lunch break of twenty-five (25) minutes with pay will be provided approximately midway during a ten-hour shift. Two fifteen (15) minute breaks will be provided during the shift as close as practical to midway between each five-hour period considering production and other factors.
- D. A lunch break of thirty (30) minutes with pay will be provided approximately midway during a twelve-hour shift. Three ten (10) minute breaks will be provided during the shift, as close as practical to midway between each four-hour period considering production and other factors.
- E. Other Articles of the Basic Labor Agreement will be modified as follows:
  - 1. A holiday shall be the twenty-four (24) hour period commencing at 3:00 a.m. or 7:00 a.m. the day of the holiday. Holiday pay shall be at eight (8), ten (10) or twelve (12) hours straight time for any qualified employee normally scheduled to work on the day of the holiday but who does not work because of its observance by the plant. Said ten (10) or twelve (12) hours straight time pay shall be counted in the computation to pay overtime for hours worked in excess of forty (40) in the work week. Holiday pay shall be eight (8) hours straight time for qualified employees not normally scheduled to work on the day the holiday is observed. Said eight (8) hours straight time pay shall not be in the computation to pay overtime for hours worked in excess of forty (40) in the work week. An employee who works on a holiday shall receive 1.65 times the employees' straight time hourly rate plus holiday pay.
  - 2. Vacation shall be four (4) consecutive scheduled days off: 4 X 10 hour shift

will be paid forty (40) hours straight time; 4 X 12 hour shift will be paid forty-eight (48) hours straight time.

3. It is the intent of Management and the Union to keep overtime to a minimum for employees working twelve (12) hour shifts. This will be done by utilizing Section 8.6 - Temporary Vacancies, and using employees from different crews. In the event overtime is needed the senior qualified individual who normally performs the job requiring overtime who is on his regularly scheduled day off will be called unless circumstances would require that employee to work two consecutive 12 hour shifts.
4. If an employee works on any day which is not part of his regular scheduled work week, he shall not be required to lose time or lay off from his regular scheduled work week.
5. Disciplinary suspensions shall be converted as follows:
  - 1 week suspension = 4 working days
  - 3 days suspension = 2 working days
6. Employees working the 3:00 a.m. to 3:00 p.m. or 7:00 a.m. to 7:00 p.m. shall receive no shift differential; Employees working the 3:00 p.m. to 3:00 a.m. shift or the 7:00 p.m. to 7:00 a.m. shall receive a thirty cent (.30) per hour shift differential.
  - a. Effective the first full pay period of April, 2006, employees working the 3:00 p.m. to 3:00 a.m. shift or the 7:00 p.m. to 7:00 a.m. shall receive a thirty-five cent (\$.35) per hour shift differential.
  - b. Effective the first full pay period of April, 2007, employees working the 3:00 p.m. to 3:00 a.m. shift or the 7:00 p.m. to 7:00 a.m. shall receive a forty cent (\$.40) per hour shift differential.
7. The Union and the Company shall mutually agree to starting times when setting schedules under this provision. There is no shift rotation under this provision unless mutually agreed upon by the parties.

F. When an employee transfers to a twelve hour shift position from an eight hour shift position, his existing vacation hours balance (if any) will be adjusted upwards by 120%. Example:

8 Hour Balance		Factor		12 Hour Balance
40	X	1.2	=	48
32	X	1.2	=	38.4
16	X	1.2	=	19.2

The opposite occurs when an employee transfers from a twelve hour shift position to an eight hour shift position. Example:

12 Hour Balance		Factor		8 Hour Balance
48	÷	1.2	=	40
36	÷	1.2	=	30
12	÷	1.2	=	10

Employees who have a vacation balance that does not allow them to take an entire day off may elect one of the following options to be scheduled in accordance with Article 14:

1. If the remaining balance is for half or more than half of the employee's current shift, he may request the entire day off with pay for only the amount of the vacation hours balance. Example: Employee is on 8 hour shifts and has a 30 hour balance. He may request 4 days, (3 days at 8 hours each, 1 day at 6 hours).
2. If the remaining balance is less than half of the employees current shift, the employee may request to take off a portion of one shift equal to the amount of hours in his balance. Example: Employee on 8 hour shifts and has a 10 hour balance, one full day must be taken. The employee may then request to leave 2 hours early with pay to use the remaining 2 hours. (The remaining amount may not be split and must be used on only one occasion.)
3. The employee can hold the excess portion of his vacation balance (that portion that equals less than one day of his current shift) until his overall balance changes to the point that the hours are usable.

This section conforms with the December 25, 1986 order (granting waiver to ORS 652.020) authorized by the Commissioner of the Bureau of Labor and Industries. The Company will submit semi annual reports, other reports or reapplications as may be required by the Bureau of Labor and Industries.

#### Section 9.5: Conditions Under Which Overtime is Paid

A. Daily overtime at the rate of 1.65 will be paid for all hours worked in excess of eight (8) hours during a 24-hour period for an employee working eight (8) hour shifts. Daily overtime at the rate of 1.65 will be paid for all worked in excess of ten (10) hours during a 24 hour period for an employee working ten (10) hour shifts. Daily overtime at the rate of 1.65 will be paid for all hours worked in excess of twelve (12) hours during a 24-hour period or in excess of 40 hours per week for employees working twelve (12) hour shifts. The 24-hour period commences when an employee begins work. Daily overtime at the rate of 1.65 shall be paid if the Company requires an employee to change shifts or days off.

Although an employee may work more than eight (8) hours within the 24-hour period, no daily overtime shall be paid if an employee has a change in starting time on his normal shift as set forth in Section 9.2. If the Company requires or requests a change in shift, days off, or an extra day worked, daily overtime at the rate of 1.65 is required for that day. If an employee changes shifts or days off at his request, daily overtime is not required. The employee's new starting time shall start a new 24-hour period, and overtime will be paid for hours worked in excess of eight (8) hours. An employee held over from a Saturday Swing shift shall have all hours counted as worked on Saturday. An employee called in early for a Saturday Graveyard shift shall have all hours counted as worked on Saturday. Overtime shall be paid at the rate of 1.65 times the regular rate of pay for all hours worked in excess of forty (40) hours per week. Double time shall be paid for hours worked in excess of fifty-six (56) in a work week.

- B. If a paid holiday falls on an employee's scheduled day off of work, the eight (8) hours straight-time holiday pay shall not be counted towards the computation of over forty (40) hours per week for overtime purposes. If the holiday falls on an employee's normal scheduled day of work but the employee does not work the holiday because the Company did not schedule work, the eight (8) hours straight-time holiday pay shall be counted towards the computation of over forty (40) hours per week for overtime purposes. If an employee is called in to work on a holiday that is not a normally scheduled work day, the holiday will be paid as though it was a regularly scheduled workday.
- C. When obtaining advanced written permission from the Human Resources Department, straight-time hours not worked due to an absence shall be counted toward the computation of over forty (40) hours per week for overtime. Absences due to accident or sickness shall be excluded from this provision.
- D. Notwithstanding any provisions of this Agreement, there shall be no pyramiding of any overtime or premium pay. In the event overtime or premium pay is applicable to the same hours worked under any two (2) or more provisions of this Agreement, only the single highest overtime premium or premium payment required under any one (1) provision of this Agreement shall be paid. Examples of this provision appear in Appendix "B".
- E. There is no provision in this Agreement which provides for overtime or premium pay for paid time which is not worked, except for Section 9.6(C).

#### Section 9.6: Unscheduled Overtime Assignment

Whenever work is required in any job classification and such work cannot be performed at straight time, the Company has the right to use employees at time and 65/100ths before using employees at double time as long as the employees hold the jobs by bid award. The Company has the right to hold over an employee until the employee is properly relieved. An employee who fails to work on any regularly scheduled straight-time workday shall have no right to the assignment of

overtime as provided herein during the week in which the absences occurred.

- A. Overtime will be distributed in all departments, excluding Maintenance, on the following basis:
  - 1. Those eligible and qualified senior employees by department seniority within the department who regularly perform the work, by bid award on the prior shift.
  - 2. Those eligible and qualified senior employees by department seniority within the department who regularly perform the work, by bid award on the following shift.
  - 3. When overtime is required on a shift because an employee is not trained or the Company cannot use straight-time employees, the overtime will be used to fill the job in which the vacancy occurred.
  - 4. Overtime which is not contiguous with a normally scheduled shift will be offered to the eligible and qualified senior employees who regularly perform the work, by department seniority, by bid award on the shift affected.
  - 5. The Company may require the eligible and qualified employee with the least amount of department seniority to accept the work.
  
- B. Overtime in the Maintenance Department will be distributed on the following basis:
  - 1. Overtime will first be offered to the senior eligible and qualified employees working the same assigned job (assigned to specific duties on shifts or within departments) in which the overtime is required.
  - 2. If additional employees are required to work on a job, the senior eligible and qualified employee on the shift affected shall be assigned; however, because of differences in the capabilities of employees, this goal may not be achieved in every case.
  - 3. The Company will not be required to remove an employee from a job they are performing in order to assign a job to another employee or change Maintenance personnel on a specific job when such action would adversely affect the continuity or satisfactory completion of the job.
  - 4. The Company has the right to assign any Maintenance employee to operate any equipment or machinery in the performance of maintenance work.

- C. If the Company causes the overtime to be worked by the wrong employee and such omission is made known to the Company within 72 hours, the Company will be obligated to offer the wronged employee(s)-equivalent overtime hours, with equivalent earnings, within the next two work weeks. (If the omission is not made known to the Company within 72 hours, the matter shall be deemed waived and not subject to the grievance procedure.) If the Company is unable to offer equivalent overtime hours and earnings to the wronged employee(s) within the following two weeks, such employee(s) will be paid the money he would have earned had the overtime not been improperly assigned. It is understood that the offering of equivalent overtime hours and earnings within the next two work weeks discharges the Company's obligation.
- D. The parties agree that overtime procedures may vary from department to department and that such differences may be inconsistent with the terms and conditions contained in this Agreement, unless revoked. Such overtime procedures are attached to this Agreement in Appendix J, and may be revoked by either the Union or the Company with sixty (60) days advanced written notice to the other party. Any modifications to these Departmental overtime procedures subsequent to the signing of this Agreement shall require the approval of the Department Superintendent, Human Resource Manager, Local Union President, and the Local Union Grievance Chairperson.

#### Section 9.7: Light Duty Overtime

Employees assigned to light duty work are working with physical restrictions, while recovering from an occupational illness or injury, and being expected to recover progress back to their regular position. There are two types of Light Duty assignments:

- A. Regular Production Job. Employees who are assigned into a regular production or maintenance job, but are physically unable to perform a portion of the work required due to limited temporary medical restrictions, shall be scheduled as follows:
  - 1. If the entire crew is scheduled for overtime, the Light Duty employee assigned to a regular production job should also be scheduled for overtime unless medically restricted from working a certain number of hours in a day or week.
  - 2. If a limited crew is scheduled for overtime, such as a loading crew or change over crew, Light Duty employees assigned to a regular production job would be offered the work, if they had the proper seniority, only when there will not be any work the employee might have to perform that would exceed a medical restriction.
- B. Other than Regular Production Jobs. Employees who are assigned to positions outside of a regular production or maintenance, such as clean up work or an office

assignment, shall not be offered any overtime, unless unusual circumstances require the Company to schedule the work.

- C. The definition of Modified Duty is: any employee who has permanent medical restrictions and who has been placed into a position with a "reasonable accommodation" that allows the employee to perform all or most of the job functions without violating his/her restrictions. Employees on modified duty status normally would be assigned overtime work when the entire crew is scheduled for overtime, and could be offered overtime by seniority when there will be work the employee can perform that would not exceed a medical restriction.

## **ARTICLE 10: REPORTING ALLOWANCE AND CALL BACK**

### Section 10.1:

Except under circumstances under which work is impossible due to any act of God, public enemy, or any fire, disaster, or breakdown, or any other occurrence beyond the Company's control, the following reporting provision shall apply: When employees who are regularly scheduled to report for work and they are not notified at least six (6) hours before reporting that they are not needed, they shall receive eight (8) hours pay at their regular rate for work at any job assigned by the Company, or four (4) hours pay at their regular rate if no work is assigned to them. If the Company telephones the employee at the telephone number he must give to the Company for this purpose, and there is no answer or notification is left with a responsible person, the Company's obligation to notify under this section is satisfied.

### Section 10.2:

A telephone log shall be kept giving the time the call was placed and who answered the phone. If unable to reach or phone is out of order, the department steward should be notified and try the call and initial the log.

### Section 10.3:

Call back shall be a minimum of two (2) hours at time and 65/100ths (1.65).

### Section 10.4:

The provisions of this Article shall not apply to an employee issued disciplinary action that, in the Company's judgment, requires immediate suspension or to conditions occurring because of a labor dispute.

## **ARTICLE 11: WAGES**

### Section 11.1: Standard Hourly Wage Scale

The standard hourly wage scale of rates for the respective job classes and the effective date thereof shall be those set forth in Appendix A of this Agreement. Pay changes will take effect the first day of the next full pay period following the event giving rise to the said change.

The Union may bargain and/or grieve whenever it is alleged that a job has been changed sufficiently to warrant change in the job wage scale.

Effective April 3, 2005, Electricians and Electrical Technicians shall receive a \$2.00 per hour general wage increase to the wage schedule set forth in Appendix A of this Agreement.

Effective April 3, 2005, Millwrights, Baghouse Millwrights, Machinists, Diesel Mechanics, Roll Turners, and Oilers (current classified oilers only, red circled) shall receive a \$1.00 per hour general wage increase to the wage schedule set forth in Appendix A of this Agreement.

#### Section 11.2: Red Circle Rates

Rates for employees other than the standard hourly wage scale will be established if necessary by written agreement between the plant manager or his designated representative and the Local Union Grievance Committee Chairman.

### **ARTICLE 12: COST OF LIVING**

Effective April, 2006, a lump sum COLA guarantee as provided in the attached Production Bonus Plan.

Effective the first payroll period in April, 2007, for all employee classifications hourly wages will be increased on a percentage basis, with the percentage increase to each classification equal to the change in the "Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): US City Average (1982-84=100)" for the 12 month period measured from February, 2006, to February, 2007, less 0.5%.

### **ARTICLE 13: HOLIDAYS**

#### Section 13.1: Holidays

A. The following days will be observed as holidays:

New Year's Day	January 1
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving Day	November
Day after Thanksgiving Day	November
Day before Christmas Day	December 24
Christmas Day	December 25

Floating Holiday

Mutually agreed-to dates

- B. Eligibility for floating holiday shall be on the same basis as management. For all non- probationary employees eligibility is as follows:
1. Employees hired prior to July 1 of any year become eligible to use the floating holiday before the end of the year.
  2. Employees hired after July 1 will not earn or receive the floating holiday until the following calendar year.
  3. Employees denied use of their floating holiday because of business needs will be given an extra day's pay the first pay period of the new year.

Section 13.2: Definitions

- A. The holiday shall be the 24-hour period starting at the commencement of the Day shift.
- B. The Company will pay to the employees covered by this contract and who are on the Company payroll at the time of occurrence of observance of said holidays, straight-time pay of eight (8) hours for the holidays not worked, provided that they meet the following requirements:
1. Probationary employees are not eligible to receive holiday pay until they have successfully completed their probationary period, at which time they shall receive pay for any holidays occurring during their probationary period to which they would have otherwise been eligible under this Article.
  2. An eligible employee shall be entitled to holiday pay for any holiday occurring within a ten (10) working day period of his last date of employment. Eligible employees prevented from working within ten (10) days of the holiday due to a scheduled maintenance or construction shutdown shall receive holiday pay as if they had returned to work within ten (10) days. Discharge for just cause will be grounds for forfeiture of holiday pay. For the purpose of this provision, vacations are considered days of employment.
  3. Employees on leave of absence longer than ten (10) working days shall not be entitled to holiday pay.
  4. Employees off due to job injury or job illness or accident shall be eligible to receive holiday pay provided they have not been off more than ten (10) working days prior to the holiday.
  5. If any employee who is scheduled to work on any such holiday, fails to

report or perform his scheduled or assigned work, he shall become ineligible to receive pay for the unworked holiday unless he has failed to report because of emergencies beyond the control of the employee. The employee shall furnish satisfactory proof of such emergency.

- C. Employees who work on a holiday shall receive eight (8) straight-time hours holiday pay and 1.65 time for all hours worked, with exception to item F of this section. All hours worked after eight (8) hours on a holiday will be paid for at two and 65/100ths (2.65) times the employee's straight hourly rate of pay.
- D. An employee not working on a holiday shall be eligible to receive holiday pay of eight (8) hours at his regular hourly rate of pay provided that he has worked his last scheduled day prior to the holiday and his first scheduled day after the holiday, unless prevented from doing so because of emergencies beyond the control of the employee. The employee shall furnish satisfactory proof of such emergency.
- E. When a holiday falls within an employee's vacation period, said employee shall receive holiday pay of eight (8) times his hourly rate used to compute his vacation pay in addition to his vacation pay or an additional day of paid vacation is so desired. (The extra day of paid vacation need not be adjacent to his vacation week.) If it does not conflict with his assigned duties such permission will not be unreasonably withheld.
- F. For start-up purposes, incumbents on the upcoming shift may be called in early on holidays at straight time. Such call-in shall be within the shift commencement time set forth in Section 9.3(A), and shall be in advance of the employee's regular shift.

**ARTICLE 14: VACATION**

Section 14.1: Eligibility Requirements

- A. Each hourly rated employee on the payroll of the Company who has attained the years of continuous service with the Company indicated in the following table in any calendar year during the term of this Agreement shall receive a vacation corresponding to such years of continuous service provided the employee has worked 1200 hours and has passed his anniversary date.

<u>YEARS OF CONTINUOUS SERVICE</u>	<u>VACATION</u>
1 or more	1 week
2 or more	2 weeks
6 or more	3 weeks
10 or more	4 weeks
20 or more	5 weeks

- B. A first year employee who will complete one year of service any time after January 1 of a calendar year will be eligible for vacation upon completion of one year of continuous service. For example: (Employee hired November 1, 2000 who completes one (1) year of continuous service on November 1, 2001 would be eligible for one week vacation on or after November 1, 2001).
- C. A second (2nd) year employee who will complete two (2) years of continuous service any time after January 1 of a calendar year will be eligible for a second week of vacation upon completion of two (2) years of continuous service. For example: (Employee hired October 1, 2000 who completes two (2) years of continuous service on October 1, 2002 would be eligible for a second week of vacation on or after October 1, 2002).
- D. The sixth (6th), tenth (10th), and twentieth year employees will be treated by the same formula as set out in B and C above.
- E. A one (1) week vacation shall consist of seven (7) consecutive days, a two (2) week vacation of fourteen (14) consecutive days, a three (3) week vacation of twenty-one (21) consecutive days, a four (4) week vacation of twenty-eight (28) consecutive days, and a five (5) week vacation of thirty-five (35) consecutive days; provided, however, that a two (2), three (3), four (4), or five (5) week vacation may be taken in a week or weeks or separate periods if such arrangements can be mutually agreed between the employee and the Company.
- F. The number of years of continuous service for any employee, for the purpose of this Article, shall be his aggregate number of years of continuous employment with the Company.

#### Section 14.2: Computation

For each week of vacation to which an employee is entitled the Company will make vacation payments computed by multiplying 40 times the employee's regular hourly rate on the day his vacation starts.

#### Section 14.3: Unscheduled Vacation Time

Employees who have accrued vacation time may utilize said time when needing to miss work unexpectedly, with the following conditions:

- A. The employee will notify the Company as soon as possible of their inability to show up for work at least one (1) hour prior to the start of the shift, unless prevented from doing so because of a bona-fide emergency, in which case the employee will then notify the Company as soon as possible.
- B. By utilizing unscheduled vacation, the employee who meets the above notification

requirement avoids incurring an incident. However, employees who have exhausted vacation time will incur an incident unless the time off is for a legally mandated leave, in which case verification from the employee must be provided to the Company.

- C. Unscheduled vacation time not approved in advance does not count as time worked for overtime purposes. In order for vacation time to be counted towards overtime, advanced written approval must be obtained from the employee's supervisor.
- D. Short notice, unscheduled vacation time shall be approved by the Company on a first-come first-granted basis. Nothing in this section requires the Company to approve short notice vacation time if, in the judgment of the Company, proper staffing levels cannot be maintained in a Department.

#### Section 14.4: General Rules

- A. Employees shall have vacations granted at times most desired by employees, so far as possible without disrupting the orderly operation of the plant, in accordance with the following rules:
  - 1. Vacation pay will only be given for vacation taken and no employee will be permitted to waive his vacation and receive vacation pay in addition to pay for days worked.
  - 2. The vacation year for vacation from work is the year starting January 1 and ending December 31. A vacation week is a normal work week. This does not imply that vacations shall be equally scheduled throughout the year. Vacations shall be scheduled in such a way as to assure orderly operation of the plant. The Company shall try to accommodate the desires of the employees.
  - 3. Each employee will be expected to file a written request with management for the period of vacation he desires to take in the next vacation year. Such notice shall be signed by the employee and delivered to management no later than December 1 of the preceding year. The employee may list a first (1st), second (2nd) or third (3rd) choice of the period or periods he prefers as his vacation from work.
  - 4. Management will promptly examine the written requests for vacations and will post the annual vacation schedule as soon as possible in every department, and will furnish a copy to the Union of the entire vacation schedule. Any changes from the posted schedule will be in writing between the Company and the employees involved.
  - 5. In the event two (2) or more employees in the same department request

vacation periods in the same periods of time and all cannot be spared from work at the same time, preference shall be given to senior employee(s) on the basis of his departmental seniority. (In the event an employee fails to file his request for vacation pursuant to section C.4 above, he forfeits his right to preference on the basis of seniority.)

6. Employees who wish to trade vacation periods which have been finally allocated may do so only with the written consent of the Company and the Union.

B. It is the intent of the parties in agreeing to this vacation plan, that the purpose of this Section is that employees will actually take time off for vacation and that the Company will grant vacations in accordance with the provisions of this Article to the extent of their ability to do so.

Employees are asked to use their vacation before December 31 of the year following the year in which the vacation was vested. In the event an employee does not use his vacation within the following calendar year, his vacation balance will not be forfeited but the supervisor will attempt to mutually agree with the employee as to when the vacation will be used. It is intended that vacation carried over will be used in a timely manner. Any refusal or postponement of requested vacation dates shall be for just cause.

#### **ARTICLE 15: SABBATICAL LEAVE**

Each employee will be allowed the option of taking three (3) weeks leave of absence without pay, at a time to be scheduled in the manner in which vacations are scheduled, after that employee has finished five (5) years of consecutive employment with the Company from the last date upon which the employee qualified for an extended vacation or the employee's date of hire, whichever is the earlier.

The employees who qualify for such Sabbatical Leaves shall have the right to take their leave at a time immediately before or after their regular vacation other than vacations taken during scheduled plant shutdowns. Employees may split their Sabbatical Leave into as many as three (3) one-week periods on the following basis:

#### **FOR 8-HOUR SHIFTS**

<u>If You Use</u>	<u>It Will Be Counted As</u>
1 to 5 Days	1 Week
6 to 10 Days	2 Weeks
11 to 15 Days	3 Weeks

FOR 10- OR 12-HOUR SHIFTS

<u>If You Use</u>	<u>It Will Be Counted As</u>
1 to 4 Days	1 Week
5 to 8 Days	2 Weeks
9 to 12 Days	3 Weeks

**ARTICLE 16: LEAVE OF ABSENCE**

Section 16.1: Regular Leave

- A. After one year of employment, an employee may request one leave of absence for up to sixty (60) calendar days for personal, non-medical reasons, and up to eighty-four (84) calendar days for family medical reasons and/or funeral attendance in any rolling twenty-four (24) month period. Employees shall request the leave in advance of the actual requested period. The employer will grant approval of a personal leave request unless unable to do so because of legitimate business reasons. A leave of absence for verified family medical leave shall be granted, based upon the employee providing complete and necessary verification to the Company, if requested.
- B. Employees shall make requests for leaves on forms provided by the Company.
- C. No benefits will be accrued while on an approved Leave of Absence, except as required by law.

Section 16.2: Union and Legislative Leave

Any employee who is duly elected to an office of the International Union or who shall be elected to the State Legislature may be granted a leave of absence, without pay or any other benefits, under this Agreement, not to exceed two (2) years. This leave may be renewed for a further period of two (2) years provided that application and certification is made by the Union to the plant manager with adequate notice. This time shall not be considered in the computation of retirement benefits. The seniority of such employee shall continue during the leave of absence.

Section 16.3: Jury Duty Leave

Jury Duty service will be paid by the Company for up to 80 hours of service per panel. All compensation received by the employee from the court system for jury duty must be turned over to the Payroll Department in exchange for this benefit. Mileage allowance received from the jurisdiction is not required to be turned over to the Company.

Section 16.4: Supervisory Leave

An employee promoted to a supervisor shall accumulate plant seniority and shall retain his

relative seniority in the department in which he worked for ninety (90) calendar days from the date of promotion. This time may be extended by mutual agreement between the Company and the Union.

#### Section 16.5: Bereavement Leave

When a member of the immediate family of any active, regular employee shall die, the Company will, upon proper notice from such employee, grant a leave of absence for up to three (3) scheduled work days including the date of the funeral. Probationary employees shall be limited to one scheduled work day. The Company will pay the employee a normal work day's pay at the employee's straight-time hourly rate. The words "Immediate Family" shall mean spouse, children, mother, father, grandchildren, grandparents, brother, sister, father-in-law, or mother-in-law of the employee. Step children and step parents shall be included in bereavement leave; however, no employee may use bereavement leave for more than one step parent of each gender. Proof of death and relationship may be required by the Company. In all instances of bereavement request, it is the responsibility of the bereaved to provide reasonable verification before pay will be authorized. An employee will not receive bereavement pay when it duplicates pay received for time not worked. It is the Company's intent to grant bereavement pay in cases involving the mother-in-law or father-in-law in circumstances where the employee's spouse is deceased. The Company will not pay bereavement pay for ex-mother-in-laws and ex-father-in-laws in circumstances where the employee is no longer in that relationship because of divorce. For purposes of payment, if the employee does not attend the funeral of the deceased relative, the employee will receive the same amount of pay that he would have received had he attended the funeral of the deceased relative. Unscheduled vacation time may be used in conjunction with bereavement leave.

#### Section 16.6: Sick Leave

- A. An employee who has complied with Article 8 and has been absent from work because of accident or illness shall be restored to his or her former job without loss of seniority after being released by his or her doctor and further subject to the approval of the Human Resources Department or appointed physician, psychologist, or any competent licensed authority designated by Company or insurance carrier who is a recognized authority in his profession. An industrial psychologist need not be a medical doctor to evaluate a condition related to stability; as to fitness to return to work and to safely perform the work in question. Approval or disapproval by the Human Resources Department shall be based upon proper relevant medical or psychological information and full correct information concerning the ability of the employee to safely perform his duties and the relevance of those duties toward the safety and health of the employee and other employees. In the event it is determined by the insurance carrier or recommended by a physician that an individual is requested to submit to a psychological evaluation, the Company will provide a job within the bargaining unit at the rate of pay the individual was receiving at the time of the injury. It is the Company's option, however, as to whether he can be placed in a job where he will be operating machinery or mobile equipment. The Company will expedite the evaluation.

- B. Should the employee's physician and the Company's physician disagree, the matter will be settled by procedures as set forth in Article 23. An employee shall be terminated if medical evidence shows an employee can never return to regular production or maintenance work. Work created by the Company outside normal production or maintenance that is not bid or a permanent job to accommodate an employee working with restrictions on light duty shall not be considered regular work. The parties agree that nothing in this agreement shall in any way diminish an employee's rights under the Americans with Disabilities Act or State of Oregon employment laws.

## **ARTICLE 17: HEALTH & WELFARE AND LIFE INSURANCE**

### Section 17.1: Health & Welfare

- A. Effective April 1, 2005, to September 30, 2005, the Company will make monthly contributions to the UMTA for Trust Plan A2C - Medical and UMTA Trust Plan D - Dental. The Medical Plan includes coverage for life, weekly disability, and vision benefits.
- B. Effective October 1, 2005, and for the duration of this Agreement the Company will make monthly contributions to the UMTA for employee and family premiums to pay for 100% of the Preventive Care Rider supplement, and 100% of the premium for employees electing Trust Plan ACX, or 95% of the premium for employees electing Trust Plan AC-10, or 90% of the premium for employees electing Trust Plan A2C. Such Medical Plan options must be elected during the annual open enrollment period.
- C. Effective April 1, 2005, and for the duration of this Agreement, the Company will make monthly contributions to the UMTA for Trust Plan – D Dental, and the Company will continue to provide for the increase in the maximum annual dental benefit to Two Thousand Dollars (\$2,000).
- D. Effective October 1, 2005 and Orthodontia lifetime benefit of \$1,100 dollars for employees shall be established. The cost of this benefit shall be limited to \$.04 cents per hour. Because of the funding limitation the Company and the Union may negotiate an alternative reimbursement wherein a partial benefit is paid followed by an end of year reconciliation.
- E. The Company will provide weekly time loss for sickness/accident benefits of two Hundred and Fifty Dollars (\$250).
- F. For purposes of this Article, "Eligible Employee" is defined as any bargaining unit employee who is paid at least forty (40) straight time compensable hours per calendar month for at least two (2) consecutive months; coverage will begin the first

day of the following month. Once eligibility has been established employees must be paid for 24 hours in a calendar month in order to maintain coverage. New employees will be required to meet the initial eligibility requirement only one time unless said employee loses seniority as a result of a layoff or long-term absence in excess of 365 days. Employees will retain health coverage for up to three (3) calendar months if off work due to an industrial accident.

- G. All Plan benefits (medical, dental and vision) will be for eligible employees and their legal dependents (as defined by the Trust). Dependents shall include members of an employee's household who are a spousal child and/or other related children who are not direct parental descendents of the employee. Verification of the relationship must be presented within thirty (30) days of the child becoming a member of the household.
1. Dependent eligibility for medical, dental and vision benefits shall be expanded as follows: Subject to existing age requirements, stepchildren may be covered (1) if listed on the most recent tax return of the employee or spouse; (2) if a divorce or paternity decree assigns financial responsibility for the child's healthcare expenses to the employee's spouse; or (3) if the decree is silent as to financial responsibility for the child's healthcare expenses. If a divorce or paternity decree assigns financial responsibility to the non-custodial spouse, but the decree is issued by a state other than the state of residence of the employee's spouse, the employee's stepchild shall nonetheless be eligible for coverage.
  2. Stepchildren eligible under this provision may be enrolled (1) upon employee's hire; (2) within 30 days of acquisition through the employee's marriage; (3) within 30 days of loss of coverage under HIPAA special enrollment rules; or (4) during Open Enrollment. Documentation of eligibility shall be furnished upon enrollment.
- H. For post-FMLA leave medical situations only, Health and Welfare coverage may be extended by either taking sabbatical leave on a continuous basis until exhausted, or by using not less than eighteen (18) hours per month of accrued vacation hours. Alternatively, accrued vacation hours may be taken first, followed by sabbatical leave. In all cases, the maximum coverage period may not exceed one calendar year from the first day taken of the FMLA leave.
- I. Any dispute arising with respect to benefit levels, other than outlined in the above paragraph, or eligibility of expenses, shall not be subject to dispute under the grievance and arbitration language of this Agreement. The sole and exclusive method to be used for settling any and all disputes shall be conducted in accordance with the rules established by the UMTA Trust.

- J. It is recognized and agreed that the Company may change the insurance carrier or the status of the insurance carrier during the term of this Agreement; and in the event of any such change, any and all benefits shall be continued at an equal or better level.
- K. The parties agree to bargain the effects of any change in Health & Welfare benefits due to the implementation or application of any State or Federal health care provision. In the event bargaining results in impasse, the matter may be referred to the grievance procedure at Step 3. If not settled in the grievance procedure, the matter may be submitted to interest arbitration for settlement using the same procedure used to submit to a rights arbitration.
- L. Effective 10-1-05 the Company will provide an orthodontic insurance plan for employees with one or more years of service, not to exceed \$1,100 per person lifetime. The Company's costs not to exceed \$.04 per hour worked during the term of this Agreement.

Section 17.2: Life Insurance

Effective April 1, 2000, the Company will provide \$40,000 term life insurance and \$80,000 total for accidental death or dismemberment insurance.

**ARTICLE 18: PENSION**

Section 18.1: Steelworkers Pension

- A. Effective April 1, 2005, the hourly contributions for the pension plan shall be Two Dollars and Sixteen Cents (\$2.61) for the first 173 hours paid in a calendar month, and One Dollar and Thirty Six Cents (\$1.66) per hour for all hours worked thereafter.
- B. Effective September 1, 2005, the hourly contributions for the pension plan shall be Two Dollars and Sixty-one Cents (\$2.61) per hour paid for the first 2080 hours in each 12 month period thereafter.
- C. Contributions for the purpose of complying with the IRS 412(E) requirements may be increased as follows:
  - 1. Effective upon ratification, up to a 7% increase in the contribution rates.
  - 2. Effective April 1, 2006, up to a 7.25% additional increase in contribution rates.
  - 3. Effective April 1, 2007, up to a 7.5% additional increase in contribution rates.

- D. In the event an employee misses work because of an on-the-job accident, the Company will continue to make regular contributions to the plan as though the employee had been working for up to six (6) calendar months per injury.
- E. Pension contributions are made the month following the effective date of the increase based on hours worked during the month in which the increase becomes effective.
- F. The Union may also elect to increase the pension contributions for either all or a portion of future wage increases generated under the Cost of Living formula in this agreement. In the event such option is elected, the Union will give timely notice to the Company so appropriate pay and pension computations and adjustments can be made.
- G. The United Steelworkers of America shall designate administrators for this plan and hold the Company, Cascade Steel Rolling Mills, harmless for administration of this plan with the exception of the Company making timely contributions as agreed upon herein.
- H. The United Steelworkers shall provide an explanation of benefits to the employees of Cascade Steel Rolling Mills.

Section 18.2: 401(K) Plan

- A. Effective with this Agreement, bargaining unit employees will be eligible to participate in the Company 401(K) Plan.
- B. In the event that the Company determines that changes in the 401(K) Plan are necessary, the Company agrees to notify the Union of the proposed changes sixty (60) calendar days prior to implementation, and afford the Union the opportunity for review and the submission of written recommendations. Furthermore, the Company also agrees to fully consider all recommendations made by the Union concerning any proposed modifications in the 401(K) Plan when such recommendations are received by the Company at least thirty (30) calendar days prior to the implementation of such changes. Profit sharing money and vacation pay in excess of a 10-week vacation balance can be put in 401(K) program on a semi-annual basis. Under no circumstances may an employee's salary deferral contributions from all allowable sources, and/or an employee's combined retirement and salary deferral contributions, in any calendar year, exceed the annual Internal Revenue Service dollar limits for that calendar year, per all applicable sections of the Internal Revenue Code. The first permitted enrollment date was July 1, 1994.
- C. Effective with this Agreement, bargaining unit employees are covered equally under the same 401(K) Plan as management. Any and all future 401(K) benefit

adjustments which apply to management employees shall apply equally to all bargaining unit employees.

**ARTICLE 19: PROFIT SHARING**

Section 19.1:

- A. For purposes of this Article, the "Plan" refers to the Company's Profit Sharing Plan.
- B. All bargaining unit employees are eligible for participation in the Plan.
- C. Once an employee has attained eligibility, he/she must work One Hundred Twenty (120) hours per calendar month to receive a profit share for the month. Paid leave and Sabbatical shall count towards hours worked.

Section 19.2: Profit Sharing Formula

- A. Profit Sharing is based upon operating profits (profits before interest and taxes).
- B. Payments shall be made quarterly on the following basis:
 

December, January, February	-	Payable in March
March, April, May	-	Payable in June
June, July, August	-	Payable in September
September, October, November	-	Payable in December
- C. The Profit Sharing pool will be paid out on profits earned as defined above in paragraph "A". There must be an initial threshold profit of \$825,000 earned by the Company in any one month, to then be incrementally increased in \$20,000 segments up to a maximum of \$3,100,000 (see schedule below for illustration).

<u>Threshold</u>	<u>Profit Pool</u>
\$ 825,000	\$20,000
\$1,000,000	\$40,000
\$1,175,000	\$60,000
\$1,350,000	\$80,000
\$1,525,000	\$100,000
\$1,700,000	\$120,000
\$1,875,000	\$140,000
\$2,050,000	\$160,000
\$2,225,000	\$180,000
\$2,400,000	\$200,000
\$2,575,000	\$220,000
\$2,750,000	\$240,000
\$2,925,000	\$260,000
\$3,100,000	\$280,000

## **ARTICLE 20: UNION COMMITTEE**

### **Section 20.1: Grievance Committee**

The Local Union shall be represented by one Grievance Committee member from each of the following departments: Melt, Maintenance, Yard, Shipping, Rolling Mill, and Roll Shop.

### **Section 20.2: Shop Stewards**

The Local Union may appoint one Shop Steward to each shift in a department for the purpose of handling grievances.

### **Section 20.3: Union Officers**

A complete list of officers, committeemen, and stewards shall be submitted in writing after the renewal of each Agreement to the Human Resources Department and shall be resubmitted annually thereafter. Any changes or additions shall be submitted in writing to the Human Resources Department as soon as possible after the change or addition. The Local Union President will check the list quarterly to insure its accuracy.

### **Section 20.4: Union Business**

- A. Union officials and employees may discuss Union matters and grievances during working hours with proper permission from their immediate supervisor or their assigned area supervisor, provided such discussion does not interfere with production or the safe and efficient operation of the department. Such permission shall not be unreasonably withheld.
- B. Time lost by Grievance Committee members due to scheduled grievance meetings with Management which occur during the employee's scheduled work time shall be paid for at the appropriate rate and counted as time worked for the purpose of computing overtime. Such pay shall not exceed eight hours in one day. Grievance Committee members may attend the meeting; others may be invited by mutual agreement between the Union and Company.
- C. Time lost for scheduled Union business meetings, including negotiating meetings with the Company representatives by Local Union Officials and delegates away from the plant, shall be without pay. Such time missed that occurred during straight-time working hours shall be included as time worked for the purpose of calculating overtime pay. It is the responsibility of the Union to notify the Company in writing as to which people are asking for time off for Union business. The Company will make a reasonable effort, based upon production and maintenance requirements, work force availability and efficiency, to grant such time off, and in any event will provide up to two (2) employees with such leave, provided each of the two (2) are

from different departments, upon receiving a written request from the Local Union for Local Union Officials or delegates to attend such Union business. The Local Union will give four (4) calendar days advance notice of such request unless prohibited from doing so by reasons beyond the Local Union's control.

#### Section 20.5: Union Activity

No employee shall engage in any Union activity on the property of the Company in any manner that shall interfere with production, or engage in any Union activity on Company time unless such activity is authorized under this Agreement. No employee during his/her working time may interrupt the work of another employee by soliciting, preparing or passing any petition during working hours unless proper permission has been obtained from the Human Resources Department prior to circulating such petition.

### **ARTICLE 21: BULLETIN BOARDS**

#### Section 21.1:

The Union shall have the exclusive right to use no less than one bulletin board in each department, shower room and lunch room for the Recording Secretary or his designee to post:

- A. Copy of the Agreement between the parties;
- B. Notices of Union recreational and social activity;
- C. Notices of Union elections involving employees covered herein;
- D. Notices of Union meetings involving bargaining unit employees;
- E. Notices of changes in committeemen and officers of the Local;
- F. Official Union papers, excluding materials of boycott or political nature;
- G. Such other notices as may be mutually agreed upon by the Union and the Company.

#### Section 21.2:

A copy of all notices posted shall be given to the Human Resources Department for review prior to posting.

### **ARTICLE 22: SAFETY AND HEALTH**

#### Section 22.1: Intent

- A. The Company shall make provisions for the safety and health of its employees at the plant during the hours of their employment and mutually agree to establish a joint Safety and Health Committee.
- B. Safe work practices are all employees' responsibility. It is the duty of all employees to fully abide by all the Company safety policies and rules regarding safe work procedures and the wearing of personal protective equipment. Any employee failing

to abide by such policies shall be subject to appropriate discipline.

- C. Staying current with required safety training requires that employees have an obligation to attend training. Employees will be provided with opportunities to receive required safety training, including the scheduling of approved overtime if necessary.
- D. The Union and the Company will cooperate in encouraging employees to observe the safety rules and regulations and to work in a safe manner. The Union and the Company recognize that safety and health can be more effectively promoted through joint effort of the parties, and carelessness on the part of employees which could result in injury to themselves or fellow employees, willful breakage of safety equipment, failure to wear or use safety protective devices provided by the Company or to abide by Safety Rules will not be condoned.
- E. One member of the Union Safety and Health Committee may accompany, without loss of pay during regular working hours, an inspection tour conducted by the Accident Prevention Division of the State of Oregon or the Occupational Safety and Health Administration.

#### Section 22.2: Safety Equipment

- A. As a condition of continued employment, all employees shall be required to wear special protective equipment and other devices necessary to properly protect the employee's safety and health and which shall be provided by the Company in accordance with good safety and health practices. Safety hats, safety glasses, goggles, gas masks, face shields, respirators, special purpose gloves, fire proof, water proof, and acid proof protective clothing and/or other such special needs necessary and required by the Safety Rules shall be provided by the Company without cost to properly protect employees while at work; except that the Company may make a fair charge to cover loss for willful or careless destruction thereof by the employee. The employee will turn in or account for any worn out or unsafe item before receiving a free replacement. When new safety requirements present themselves, the Health and Safety Committee shall implement them.
- B. The Company will not require employees to exchange protective clothing, such as boots or wool suits, nor shall they require employees to exchange goggles, gas masks or respirators.
- C. It shall be the responsibility of the Company to maintain in good order all protective devices, safety equipment and ventilating and heating systems. Employees shall be required to use needed safety equipment and shall exercise reasonable care of such safety devices and equipment.
- D. The Safety and Health Committee shall make inspections as needed, but no less than

every three months.

- E. Safety toed shoes or boots shall be annually reimbursed up to One Hundred Twenty Five Dollars (\$125.00) one time per year for all employees not in the lead program, with metatarsal boots required. For employees regularly working under the lead program, the boot allowance will be made available not less often than every six (6) months, with metatarsal boots required.

#### Section 22.3: Hazardous Conditions

- A. An employee who believes that he is being required to work under hazardous conditions beyond the normal hazards inherent in the operation in question will consult with his supervisor concerning such work. He may request the presence of his departmental Safety Committeeman or shift safety representative within the department before returning to work. If no solution satisfactory to him is reached with the supervisor and the Safety Committeeman concerning the hazard involved and the employee still feels he is being required to work under hazardous conditions the employee may:

1. Request that the Company Safety Director and the Chairman of the Union Safety Committee or their designated representative confer immediately to ascertain whether the work in question is hazardous. If it is determined to be unsafe, the employee upon request shall be assigned to other work at no loss in pay. This clause shall not be used for purposes of concerted activity or to avoid unpleasant working -conditions.

Or, as an alternative action the employee may:

2. File a grievance on said condition at Step II of the Grievance Procedure. It is understood and agreed that if a grievance is filed on an alleged hazardous working condition, the employee will continue to work and management representatives shall give said grievance preferred handling, and shall expedite its movement through the grievance procedure.

- B. Nothing in paragraph 1 above shall preclude the Company from assigning another employee to the job in question and no employee, other than communicating the facts relating to the safety of the job, shall take any steps to prevent the assigned employee from working on the job.

#### Section 22.4: Joint Committee

- A. The Joint Safety and Health Committee composed of one (1) member from each department for the Union, appointed by the Union, and an equal number of representatives appointed by the Company shall meet monthly or more frequently as the Committee may determine to investigate conditions pertaining to safety and

health, to consider existing practices and rules, to formulate proposed changes and to investigate all lost time accidents and to establish its own rules.

- B. Time lost by Union members of the Committee for time in regular, joint monthly meetings and for regularly scheduled work time devoted to joint investigations by the Safety Committee, or other Safety Committee work under this Article shall be counted and paid as time worked.
- C. A copy of the Plant Accident Report shall be furnished to the Chairman of the Union's Safety and Health Committee.
- D. Minutes shall be kept of all committee meetings and copies of all such minutes shall be prepared by the Company and made available to all members of the Joint Safety and Health Committee, the plant manager or his representative, and the President of the Local Union.
- E. It is agreed that the established joint Safety and Health Committee acts in an advisory capacity and that the International Union, Local Union, and its officials or agents shall not be liable for any work-connected -injuries, disabilities or diseases which may be incurred by employees.

#### Section 22.5: Injured Employee

- A. Any employee who becomes unable to perform his regular duties because of a Compensable Injury incurred in the employ of the Company may be temporarily assigned to any regular production or maintenance vacancy (temporary or permanent) or to a new light duty job in the plant that he is capable of performing. When assigned a light duty job such employee shall receive his regular rate of pay until such time as the employee returns to regular production or maintenance work.
- B. A vacancy in regular production or maintenance filled by an employee working with restrictions may have the bidding and awarding of a permanent vacancy postponed for a period not to exceed ninety (90) calendar days, after which time the job will be awarded in accordance with Article 8.
- C. An employee working with restrictions shall be treated the same as an employee returning from a leave of absence for accident or illness, Section 16.5 of this Agreement, when the restricted employee receives an unrestricted work release from a physician.
- D. The Company has the right, provided the Company complies with the mental or physical restrictions of a physician, to assign and schedule light duty employees according to operational requirements. In matters of assignment and scheduling, the location of work assigned or the nature of work performed shall not be the basis of a dispute or the filing of a grievance. The only basis for a grievance under this Section

is whether the Company is complying with a physician's restrictions.

- E. Nothing in this section is intended to conflict with the application of the seniority provisions provided for in this Agreement.

#### Section 22.6: No Loss of Pay on Day of Injury

An employee hurt in an industrial accident shall be paid for the time lost on the day he was injured at the rate of pay he would normally receive on that day provided his doctor forbids his return to work for the rest of the shift. The Company shall provide transportation for medical treatment as a result of an industrial accident on the day of injury. It is not the intent of the above provisions to make the Company responsible for the payment of such time and transportation that is compensated by Workmen's Compensation.

### **ARTICLE 23: EXAMINATIONS & IDENTIFICATION**

#### Section 23.1:

- A. Physical, mental, psychological tests by a licensed industrial psychologist, or other examinations required by a government body or reasonably requested by the employer shall be promptly complied with by all such employees, provided, however, the Company shall pay for all such examinations and for time consumed, except in the case of driver's or chauffeur's non-medical license examinations. Employees required to take examinations during their working hours shall have such time counted and paid as time worked.
- B. The Company reserves the right to select its own medical examiner or physician or licensed industrial psychologist, and the employee may, if he believes an injustice has been done, be reexamined by a physician of his choice at employee expense. If there is a dispute, a neutral doctor will be chosen by the employee's doctor and the Company's doctor. The neutral doctor's opinion will prevail.

#### Section 23.2:

Should the employer find it necessary to require employees to carry personal identification, such requirement shall be complied with by the employees. The cost of such personal identification shall be borne by the Company.

### **ARTICLE 24: MILITARY SERVICE**

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

## **ARTICLE 25: NO STRIKE, NO LOCKOUT**

The Union agrees that during the term of this Agreement, neither the Union nor its agents, nor its members will authorize, aid, instigate, condone, or engage in a slowdown, work stoppage, strike (including sympathy strikes at the Employer's place of business) or other interruption of work. Any employee engaging in this illegal activity may be discharged subject to the terms of this Agreement. The Company agrees that during the same period there shall be no lockouts.

## **ARTICLE 26: SCOPE OF AGREEMENT**

### Section 26.1: Appendix and Supplemental Agreements

This Section lists Appendix and Supplemental Agreements which the Company and Union have included as part of this Agreement. These Agreements shall remain in full force and effect for the duration of this Agreement. ALL PREVIOUS LETTERS OF UNDERSTANDING NOT MENTIONED BELOW ARE ALSO INCLUDED.

- Appendix A: Wage Rates
- Appendix B: Production Bonus Plan
- Appendix C: Cooperative Partnership Agreement
- Appendix D: Overtime Examples
- Appendix E: Canteen Committee
- Appendix F: Non-Production Weekend Overtime
- Appendix G: Apprenticeship
- Appendix H: Tools & Coveralls
- Appendix I: Notice of Shutdown or Closure
- Letters of Understanding: Prior Supplemental Agreements
  - a) Electrician Overtime
  - b) Department Shutdown
  - c) Maintenance Reduction in Force
  - d) Apprentice/Journeyman Job Seniority
- Letter of Understanding: Employee Assistance Program
- Letter of Understanding: Production Quality Committee
- Letter of Understanding: Shredder
- Letter of Understanding: Job Evaluations
- Letter of Understanding: Janitor Position
- Letter of Understanding: Fire, Search and Rescue
- Letter of Understanding: Funeral Leave
- Letter of Understanding: Plant Overtime
- Letter of Understanding: Witness Pay
- Letter of Understanding: Outside Contractors (March 5, 1992)
- Letter of Understanding: Reduction in Force (August 16, 1991)
- Letter of Understanding: IMS Contracting Out
- Letter of Understanding: ADA Processes
- Letter of Understanding: Apprentice/Journeyman Seniority

Letter of Understanding: Carpenter Positions  
Letter of Understanding: Signing Bonus  
Letter of Understanding: Current Outstanding Grievances  
Letter of Understanding: Shotgun Bids  
Letter of Understanding: In the Event of Discontinuance of Western Independent Pension Plan  
Letter of Understanding: Pay Rates for Probationary Trainees  
Letter of Understanding: Overtime Rates with Production Bonus Plan

#### Section 26.2: Content of Agreement

This Agreement contains the full understanding between the parties. All matters which are subject to bargaining under law between the Union and Company have been considered by the parties. All matters not contained within this Agreement have been rejected.

#### Section 26.3: Supplemental Agreements

Supplemental Agreements may be entered into between the Local Grievance Committee and the Company. These agreements shall be in writing and approved by a representative of the International Union and an authorized representative of the Company in order to be valid in future collective bargaining Agreements.

### **ARTICLE 27: SAVING CLAUSE**

It is assumed by the parties hereto that each provision of this contract is in conformity with all applicable laws of the United States and of the State of Oregon. Should it later be determined that it would be a violation of any legally effective Governmental or State Order or Statute to comply with any provision or provisions of this Agreement, the parties hereto agree to renegotiate any such provision or provisions of this Agreement for the purpose of making them conform to such Governmental or State Order or Statute so long as they shall remain legally effective, and the other provisions of this Agreement shall not be affected thereby.

### **ARTICLE 28: ADJUSTMENT OF GRIEVANCES**

#### Section 28.1: Preamble

Should any dispute arise between the Company and the Union or the employees represented by the Union during the term of this Agreement, there shall be no interruption of work at any time but the matter shall be settled in accordance with the following provisions.

The Company and Union representatives at the various steps of the grievance procedure will have full authority to enter grievance settlements.

#### Section 28.2: Procedure

Upon occurrence of any alleged grievance, relief shall be available through the following steps:

#### Step I:

Within seven (7) calendar days after either the occurrence of the alleged grievance or the grievance should have become known to the employee or to the Union, the employee, with or without a Union representative, shall present and discuss the problem with the foreman of the department involved. No written grievance at Step II will be recognized by the Company until such presentation has been made. If the grievance is not settled within seventy-two (72) hours in Step I, it may be appealed to Step II. Grievances settled in Step I shall establish no precedence and are settled without prejudice to either party's position. Any grievance involving the interpretation of the contract must include a Shop Steward, grievance committee member, or the Local Union President or his designee.

The Company shall incur no liability arising out of occurrences that took place prior to seven (7) calendar days after the occurrence of the alleged grievance, or the date upon which the occurrence should have been known to the employee or to the Union.

#### Step II

If no settlement is reached in Step I, the matter shall be submitted in writing to the department superintendent or his representative within ten (10) calendar days after the Step I answer. The grievance shall be dated and signed by the employee, setting forth the specific facts allegedly giving rise to the grievance, specific sections of the Agreement alleged to be violated, and the remedy sought. The departmental superintendent or his representative shall issue a written answer to the Grievance Chairman within three (3) calendar days. Any grievance not resolved in Step II can be appealed in writing to Step III within seven (7) calendar days from the date of the answer in Step II. Should no appeal be made within this time, the grievance shall be considered settled on the basis of the Company's answer made in Step II.

#### Step III

When a grievance is appealed to Step III, a meeting between the Human Resources Manager, or their designated representative, and the Union President and Grievance Committee Chairman and appropriate witnesses shall be held within seven (7) calendar days after the date of the appeal. The Human Resources Manager, or their designated representative, shall issue a written answer to the Grievance Chairman and the International Union Representative within seven (7) calendar days after the Step III meeting.

#### Step IV

Any grievance not resolved after the Step III meeting may be appealed at the next

regularly-scheduled Step IV grievance committee meeting. The Union shall be responsible for providing the Company with an agenda that shall include all such appealed grievances. Should the matter not appear on the Step IV agenda, or no appeal be made in writing to the Human Resources Manager requesting a time extension within seven (7) days of the Human Resource Manager's Step III answer, the grievance shall be considered settled on the basis of the Company's answer in Step III. After a complete Step IV grievance committee meeting, the Human Resources Manager shall issue a decision within ten (10) days of the hearing. After the Human Resources Manager has issued a decision, either party to this Agreement may move the matter to arbitration.

#### Step V (Only For Major Suspensions of More Than Three Days and Terminations)

Only for major suspension of more than three days and terminations, the Union may request a meeting with the Company President to be held within five (5) days of the Human Resource Manager's written Step IV answer. Within five days of the meeting, the President or their designee shall issue a response.

#### Section 28.3: Step VI Arbitration

- A. If either party is dissatisfied with the results of Steps IV or V, that party may request that the Federal Mediation and Conciliation Service propose a panel of seven (7) nominees. Within seven (7) calendar days of receipt of the panel, the Union and the Company shall alternately strike one name from the panel, until only one remains. The right to strike first shall alternate between the parties. The person whose name has not been stricken shall serve as arbitrator. The arbitrator shall have the sole right to determine the rules and procedures to be followed in the conduct of the arbitration hearing, and the arbitrator shall have authority to make decisions only with respect to grievances that involve the interpretation of the provisions of the Agreement and shall have no authority to modify, add to, alter or detract from the terms of any provisions of this Agreement. Any grievance or dispute filed after 7/5/05 not requested within one (1) calendar year of its occurrence shall be deemed waived.
- B. The arbitrator shall submit a decision to the Union and Company within six months. If the arbitrator cannot submit the decision within six (6) months, the arbitrator shall not make a back pay award in excess of six (6) months from the date of the grievance.
- C. The expenses and salaries incident to the service of the arbitrator shall be shared equally by the Company and the Union.
- D. The award of the arbitrator shall be final and binding on all parties.
- E. Either the arbitrator or the Company or the Union may call any employee as a witness in any proceeding before the arbitrator, and the company agrees to release

said witness from work if he is on duty. If an employee witness is called by the Company, the Company will reimburse for lost time, not to exceed eight (8) hours in any one day. If called by the Union, the Union will reimburse for lost time. If called by the arbitrator, the Company and Union will split the wages for lost time equally.

- F. If a party to this Agreement intends not to comply with an arbitrator's award because of grounds for reversal in court, the non-complying party shall notify the other of such intent within thirty (30) calendar days from the date of award.
- G. Should either party purchase the services of a court reporter and a transcript of an arbitration hearing, the other party will be granted limited access to review the transcript for accuracy and to take notes only. There can be no duplication of the transcript whatsoever unless the party requesting such copies pays one-half of the court reporter and transcript fees to the other party.

#### Section 28.4: Expedited Grievance Procedures

The grievance procedure commencing at Step III shall be utilized by the Union in processing group grievances which allege a breach of the contractual obligations of the Company to the Union as such and shall be utilized by the Company for grievances against the Union. Such claims shall be presented to the other party within seven (7) calendar days of the event that is the basis of the grievance.

#### Section 28.5: Grievance Investigations

The Union's District Director, his designated representatives, and the Local Union representative or Officer of the International will have access to the plant to investigate grievances after advance notice to the Human Resources Manager. Such investigations shall be conducted so as not to interfere with plant operations.

#### Section 28.6: Failure to Appeal and Extensions of Time Limits

- A. All grievances will automatically be resolved in favor of the party who has presented its position to the responding party in writing and the responding party has failed to comply with the applicable contractual time limits for appropriate response. Notwithstanding the above, the time limits provided in this Article may be extended by written mutual agreement of the parties.
- B. All payment settlements made at Steps III and above shall be due within 30 days after the date the settlement is signed by the parties. Should the paying party be late in the payment of settlements, a charge will be paid to the grieved party in the amount of 10% of the amount of the original settlement for each month the payment is delayed.

Section 28.7: Rights to Process Grievance for Legal Heirs

In the event an employee dies, the Union may process on behalf of his legal heirs any claims he would have had relating to any monies due under any provision of this Agreement.

**ARTICLE 29: DISCIPLINE, SUSPENSION AND DISCHARGE**

Section 29.1:

The maintenance of discipline is the responsibility of the Company and to that end, the Company may discipline employees and such discipline shall be for just cause.

Section 29.2:

In all instances in which the Company may conclude that an employee's conduct may justify suspension or discharge, the following steps shall be taken:

- A. The employee shall be suspended preliminary to discharge for three (3) working days, with timely written notice furnished the employee and the President of the Local Union setting forth the specific reason for the suspension. Upon being suspended, the employee shall immediately leave the plant and shall not return to the plant during the period of the suspension except to pick up paycheck, personal belongings, or attend a scheduled meeting provided for in Paragraph 2 of this section.
- B. During the suspension period, the employee or his Local Union representative may request a meeting before the Human Resources Manager, or his representative, to discuss the facts of the violation. Should more time be required, the parties may agree to an extension. Such extension must be requested in writing between the Human Resources Manager or his representative and the Local Union representative and, if granted, will not exceed three (3) working days beyond the original suspension period.
- C. After such hearing or if no hearing is requested, and having examined all evidence then available, the Human Resources Manager, or his representative shall make a final determination that the suspension shall be sustained, revoked, extended or converted into discharge. The Company shall furnish the specific reason for its decision within seven (7) calendar days from the date of the hearing to the employee and his Local Union representative.

Section 29.3: Grievance of a Suspension or Discharge

Within three (3) working days after receipt of the Human Resources Manager's decision, the employee or his Local Union representative may file with the Human Resources Manager or his representative a grievance (if a settlement had not been reached), alleging that his suspension or

discharge was not for just cause. Such grievance must be reduced to writing on the grievance form at Step III.

**Section 29.4: Union Representation at Investigatory Interviews:**

When a supervisor or other management representative questions an employee and the investigation is likely to result in a suspension from work, provided no unreasonable delay occurs, no questioning will take place until the Department Steward, member of the Local Union grievance committee, or the Local Union President or his designee is present.

**ARTICLE 30: INCENTIVE BONUS PLAN & COOPERATIVE PARTNERSHIP AGREEMENT**

Attached hereto and made apart of this Agreement, as Appendix H, is the Incentive Bonus Plan (IBP), and in Appendix I, is the Cooperative Partnership Agreement (CPA). These Plan's objectives numerous, but are centrally designed to create an economic incentive for employees and the Company to improve and sustain as efficient an operation as is possible by recognizing and realizing employees skills and knowledge as they make valuable contributions through jointly determined and administered employee involvement and empowerment efforts designed to benefit all the Company's stakeholders, and provide employees with greater work-life satisfaction and job security.

The IBP measures may be changed by the parties' (the Company and the Union) written mutual agreement throughout the term of this Agreement, provided such changes are determined to be necessary by each party to meet the objectives of both the CPA and the IBP.

**ARTICLE 31: LUMP-SUM BONUS PAYMENTS**

With the payroll check following the first full pay period after the signing of this Agreement, the Company shall provide to each active employee as of the last day of such payroll period, including those employees on vacation, a six hundred dollar (\$600.00) lump sum signing bonus.

**ARTICLE 32: EFFECTIVE DATE AND DURATION OF AGREEMENT**

This agreement becomes effective April 1, 2005. If either party desires to subsequently modify any provision of this Agreement or terminate this Agreement, it must give written notice of such desire to the other party no earlier than ninety (90) calendar days and no later than sixty (60) calendar days prior to April 1, 2008. In the event either party gives no notice, the Agreement shall automatically be renewed for one year. Thereafter either party may terminate or modify this Agreement on any succeeding April 1, by delivering a written notice to the other party no earlier than ninety (90) days and no later than sixty (60) days prior of its intent to modify or terminate the Agreement. Promptly after such written notice of termination is given, the parties shall meet to discuss the terms and conditions of a new agreement at a location mutually acceptable to both parties. If agreement is not reached upon the termination date of this

Agreement, either party may exercise their right to strike or lockout provided the moving party has served Seventy Two (72) hours written notice upon the other of its intention to strike or lockout at the expiration of such notice.

Any notice to be given under this Article shall be given by Certified Mail, Return Receipt Requested. If such notice is given by the Company, it shall be addressed to United Steel Workers, 618 14<sup>th</sup> Avenue Suite C, Longview, WA 98632; and if notice is given by the Union, it shall be addressed to Cascade Steel Rolling Mills, Inc., 3200 North Highway 99W, P. O. Box 687, McMinnville, Oregon, 97128.

Either party may, by like written notice, change the address to which the Certified Notice may be sent.

CASCADE STEEL  
ROLLING MILLS, INC.

UNITED STEEL, PAPER AND FORESTRY,  
RUBBER MANUFACTURING, ENERGY,  
ALLIED INDUSTRIAL AND SERVICE  
WORKERS INTERNATIONAL UNION, AFL-CIO

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Jeff Dyck, President

---

Leo Gerard, International President

---

Michael R. Hereford, HR Manager

---

Jim English, Int. Secretary/Treasurer

---

Stella Bouldin, HR Specialist

---

Tom Conway, Int. Vice President

---

Dick LaCosse, Int. Vice President

---

Leon Lynch, Int. Vice President

---

David Foster, Director, District 11

---

Gaylan Z. Prescott, International,  
Staff Representative

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Daniel P. Senay, President Local 8378

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Mayron S. Henning, Grievance Chairperson

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Alan Brosh, Negotiation Committee Chairperson

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David W. Kidwell, Negotiation Committee

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Armando Mejia, Negotiation Committee

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Joseph J. Munger, Sr., Negotiation Committee

## Appendix A: Wage Rates

Position	Dept.	Wage Effective 3/31/05
Electrician 1	Maintenance	\$ 24.35
Electrician, Probationary	Maintenance	\$ 22.15
Electrical Technician	Maintenance	\$ 24.35
Millwright	Maintenance	\$ 21.94
Baghouse Millwright	Maintenance	\$ 21.24
Machinist	Maintenance	\$ 21.94
Diesel Mechanic	Maintenance	\$ 21.94
Oiler 1	Maintenance	\$ 21.94
Oiler 2	Maintenance	\$ 18.99
Storeroom	Maintenance	\$ 18.70
Maintenance Utility	Maintenance	\$ 18.00
Baghouse Utility	Maintenance	\$ 16.67
Ladle Technician	Melt Shop	\$ 21.42
Caster Mold Technician	Melt Shop	\$ 21.42
First Helper	Melt Shop	\$ 21.42
Craneperson	Melt Shop	\$ 21.42
Refractory Specialist	Melt Shop	\$ 20.53
Ladle Person	Melt Shop	\$ 20.53
Bricker	Melt Shop	\$ 20.53
Crew Chief	Melt Shop	\$ 21.42
Caster Operator (Strand)	Melt Shop	\$ 20.53
Billet Crane	Melt Shop	\$ 19.77
Ladle Person Helper	Melt Shop	\$ 19.77
Caster Helper	Melt Shop	\$ 19.77
Torchperson	Melt Shop	\$ 17.83
Forklift (4 ton)	Melt Shop	\$ 17.04
Utility	Melt Shop	\$ 16.67
Roll Turner	Rolling Mill	\$ 21.94
Assistant Roller	Rolling Mill	\$ 21.42
Heater	Rolling Mill	\$ 20.74
Pulpit	Rolling Mill	\$ 20.74
Relief	Rolling Mill	\$ 20.40
Guide Setter	Rolling Mill	\$ 20.05
Bearing Tender	Rolling Mill	\$ 19.74
Utility	Rolling Mill	\$ 16.67

Position	Dept.	Wage Effective 3/31/05
Craneperson	Shipping	\$ 18.14
Sawyer	Shipping	\$ 18.14
Shear Operator	Shipping	\$ 20.74
Shear Helper	Shipping	\$ 18.14
Stacker Operator	Shipping	\$ 18.41
Straightener	Shipping	\$ 18.41
Bundler Operator	Shipping	\$ 19.46
Counter	Shipping	\$ 18.14
Material Handler	Shipping	\$ 16.85
Utility	Shipping	\$ 16.67
Mobile Equipment	Yard	\$ 19.77
Craneperson	Yard	\$ 19.77
Relief Crane	Yard	\$ 19.29
Forklift (12 ton)	Yard	\$ 18.06
Trackmobile	Yard	\$ 17.75
Water Truck	Yard	\$ 17.75
Switchperson	Yard	\$ 17.44
Burner	Yard	\$ 17.04
Utility	Yard	\$ 16.67
Labor Pool Utility	Labor Pool	\$ 18.00
Water Truck Driver	Labor Pool	\$ 18.06
Janitor	No Dept.	\$ 13.61
Trainee, 2nd Term, 1561- 2080 hrs		\$ 15.15
Trainee, 1st Term, 681- 1560 hrs		\$ 13.20
Probationary 1-680 hours		\$ 11.54

## **Appendix B: Production Bonus Plan**

### **Introduction**

The Production Bonus Plan is established for the purpose of:

1. Increasing plant production of quality billets and hot rolled finish products.
2. Lowering operation costs to help CSRM be a competitive producer.
3. Create opportunities for additional compensation for all participating employees

The production bonus is not to take precedent over working safely and producing quality products. Issues regarding non-prime quality will be deducted from the production calculations. Tonnage determined to be less than prime quality at a date after bonus has been paid, regardless if it is a billet or returned product from a customer, will be adjusted in the next available bonus period. Products returned from a customer will be subjected to double the rate, see example.

All eligible employees will be able to participate in the Production Bonus Plan

### **Definitions:**

1. Tons Per Hour (TPH) – The amount of quality tonnage produced for each scheduled operating hour, includes all unscheduled delays, pass changes and product change-overs.
2. Weekly Operating Hours – The number of scheduled hours actually worked in a one week period minus any schedule maintenance down-time.
3. Weekly Tons Produced – The actual number of quality tons produced in a week's scheduled operating hours.
4. Bonus Tons – The Weekly Tons Produced over the established weekly base.
5. Hourly Rate - Hourly Rate of pay does not including profit sharing or retirement rates.
6. The Company – Cascade Steel Rolling Mills

### **How the Plan Works**

The Production Bonus Plan is based on the principle of additional compensation for additional quality production over an established minimum or standard. The Melt Shop Plan and the Rolling Mill Plan are separate due to the various sizes of bars/rods generated by the Rolling Mills. However, each eligible employee will be equally based on a total bonus pool which is the sum of the Melt Shop Bonus and the Rolling Mills Bonus, see examples.

The Production Bonus Program is predicated on base-line production rates. Unscheduled down-time, pass changes and product change-overs are considered as a part of production time. For example, on a 24/7 operation, the melt shop has 9 hours of weekly scheduled maintenance that will be subtracted from the operating time. Any additional down-time will be considered a part of production time. On a 24/7 operation, the rolling mills have 4 hours of scheduled weekly maintenance that will be subtracted from the operating time. For operation time less than a 24/7 schedule, no scheduled maintenance will be subtracted from the operating time.

There is no upper limit on the bonus. The bonus will be calculated weekly and paid on current pay schedules.

### **Melt Shop**

The standard for the melt shop is 89 quality Tons Per Hour. All prime Tons Per Hour, in increments of 1 ton per hour, over the established standard will generate weekly bonus pool. The weekly established standard is based on the Weekly Tons Produced divided by the operating hours resulting in a Tons Per Hour rate. See Table 1 for a 7 day / 24 hour operating week with 9 hours of maintenance taken out of the weekly tons. The melt shop bonus pool will be added to the rolling mill bonus pool. If the melt shop's weekly production is below the established base rate tons then no melt shop bonus pool will be added to the rolling mill pool

### **Rolling Mills**

The standard production rates for the Rolling Mills are listed in Tables 2a and 2b for each product rolled in RM1 and RM2. Since the current rolling schedule is set up from RM1 to work in RM2, the two mills will combine their production to calculate the bonus.

Each week has established total tons, which will vary depending on the rolling schedules. All prime tons over the weekly established tons will generate weekly Bonus Tons. This weekly Bonus Tons then yields a rolling mill bonus pool. Table 3 shows an example of a combined 9 day work week yielding 212 hours (4 hours of maintenance in RM2). The rolling mill bonus pool will be added to the melt shop bonus pool. If the rolling mill's Weekly Tons Produced is below the established base rate tons then no rolling mill bonus pool will be added to the melt shop.

If crews are added to the rolling mill schedule, and RM1 crews no longer works in RM2, separate bonus tables will be made for the production pool. The same established base rates as shown in Table 2a and 2b will be used.

### **Bonus Eligibility**

Full time Employees who work all hours scheduled in a work week will be eligible for a "Production Bonus". New employees under their probationary period are eligible for the bonus beginning with their first full week of scheduled work time. The Bonus will be calculated based on the weekly hours as outlined in the example table listed for current mill schedules. The Bonus will provide for the equal sharing of the weekly pool to all eligible employees. Any time missed from work time except for employer approved compensated Union time or time missed as a result of any whole week of vacation running over into a subsequent week, will cause an employee to be disqualified from the bonus participation pool. For purposes of this section, terminated employees for any reason shall lose eligibility in the last completed week they last work for The Company.

## **Cost of Living Adjustment COLA**

A guaranteed COLA adjustment will be paid as follows. If Bonus Plan fails to produce additional earnings for each employee sufficient to match or exceed the annual inflation rate as measured in the CPI-W February 2005 to February 2006, prorated for 7 months, for non-bonus and profit sharing payment earnings during the bonus period (September 1, 2005 through the latest payroll period beginning prior to April 2006), the Company will pay a lump sum to each employee equal to the amount of pro-rata CPI increase times the employees earnings less any Production Bonus earnings for the same period (September 2005 to April 2006). In no event may a cash bonus under this provision exceed 5%.

## **Change in Base Rates**

A change in base rates for either the Melt Shop or Rolling Mill will only occur if capital investments to the facilities are purchased that are justified through production rate increases. For example, the new EAF or the rod mill reform tub where to purchase the equipment a cost justification was done which required a production increase to be obtained. The base rate change would then be reviewed and set. Capital investments of greater than \$100,000 will be reviewed as potential changes to base rates.

In the event a change is proposed by the Company to the base rate schedule as a result of an investment and the rate is not agreeable to the Union, then said dispute shall be submitted to a neutral third party for interest arbitration. The Arbitrator shall be selected as outlined in the Grievance and Arbitration section of this Agreement. Within ten (10) days of such request for arbitration, the parties shall simultaneously exchange last and final offers. The Arbitrator after considering the evidence must rule either entirely for one or the other of the party's final offers with no allowance for a compromised opinion. The Arbitrator's decision shall be final and binding upon the parties. The Arbitrator's fees and expenses shall be paid in equal amounts by the Union and the Company.

## **Examples**

1) 21 turn operation yields 168 total hours minus 9 hours maintenance = 159 production hours:

Melt Shop produces 15,900 tons for the 159 hour work week.  $15,900 \text{ tons} / 159 \text{ hours} = 100 \text{ tph}$ .  
Rolling Mills combined produces 2000 tons over base weekly tons.

$$\begin{aligned} \text{Bonus Pool} &= \$16,500 \text{ MS} + \$16,000 \text{ RM} = \$32,500 \\ \text{Week Bonus} &= \$32,500 / 343 = \$94.75 \text{ assuming 343 eligible employees} \end{aligned}$$

2) 15 turn operation yields 120 hours and no maintenance hours:

Melt Shop produces 11,640 tons for the week.  $11,640 \text{ tons} / 120 \text{ hours} = 97 \text{ tph}$ . Rolling Mills combined produces 2000 tons over base weekly tons. In addition, 100 tons of #4 rebar is returned from customer due to laps and seams. Consequently, 100 tons will be taken off both the Melt

Shop and Rolling Mill Bonus Tons. Therefore, the Melt Shop Tons Per Hour would be 11,540/120 hours = 96 tph and the Rolling Mills would be 1900.

$$\begin{aligned} \text{Bonus Pool} &= \$10,500 \text{ MS} + \$15,000 \text{ RM} = \$25,500 \\ \text{Week Bonus} &= \$25,500 / 343 = \$74.34 \text{ assuming 343 eligible employees} \end{aligned}$$

3) 21 turn operation = 159 production hours:

Melt Shop is scheduled for only 3 day operation during the week and produces at a rate of 100tph for the 3 days. Rolling Mills combined produce zero.

$$\begin{aligned} \text{Bonus Pool} &= \$16,500 * 3/7 + \$0.00 = \$7,071 \\ \text{Week Bonus} &= \$7,071 / 343 = \$20.62 \text{ assuming 343 eligible employees} \end{aligned}$$

4) 15 turn operation with 1 extra day added to total 124 hours:

Melt shop produces 12,028 which yields 12,028/124 = 97tph. Rolling Mills adds an extra work day in RM1 yielding a combined 10 day work week. The combined mill production yields a Bonus Tons of 2000, producing \$16,000 to the bonus pool.

$$\begin{aligned} \text{Bonus Pool} &= \$12,000 \text{ MS} + \$16,000 \text{ RM} = \$28,000 \\ \text{Week Bonus} &= \$28,000 / 343 = \$81.63 \text{ assuming 343 eligible employees} \end{aligned}$$

Table 1

(tph)	Bonus Pool year 2005
89	0
90	\$ 1,500
91	\$ 3,000
92	\$ 4,500
93	\$ 6,000
94	\$ 7,500
95	\$ 9,000
96	\$ 10,500
97	\$ 12,000
98	\$ 13,500
99	\$ 15,000
100	\$ 16,500
101	\$ 18,000
102	\$ 19,500
103	\$ 21,000
104	\$ 22,500
105	\$ 24,000
106	\$ 25,500
107	\$ 27,000
108	\$ 28,500
109	\$ 30,000
110	\$ 31,500
111	\$ 33,000
112	\$ 34,500
113	\$ 36,000
114	\$ 37,500
115	\$ 39,000
116	\$ 40,500
117	\$ 42,000
118	\$ 43,500
119	\$ 45,000
120	\$ 46,500

Table 2a - Rolling Mill #1 – Standard Product Rates - tph

Product	Bonus tph	Product	Bonus tph	Product	Bonus tph
AN 1/1/18	24.0	FL 316/114	38.0	RB 22/7	72.0
AN 1/1/316	25.0	FL .180/114	38.0	RB 25/8	72.0
AN 112/112/316	26.0	FL 316/2	38.0	RB 29/9	72.0
AN 112/112/14	27.0	FL 316/212	38.0	RB 32/10	70.0
AN 112/112/18	24.0	FL 316/3	38.0	RB 36/11	72.0
AN 2/2/14	30.0	FL 316/4	38.0	RB 43/14	45.0
AN 2/2/18	24.0	FL 34/112	38.0	RB 57/18	45.0
AN 2/2/316	25.0	FL 34/2	38.0	RB 25m	72.0
AN 212/212/316	25.0	FL 34/212	38.0	RB 30m	70.0
AN 212/212/14	30.0	FL 34/3	38.0	RB 35m	72.0
FL .180/114	38.0	FL 34/4	38.0	RO .675	38.0
FL 1/112	38.0	FL 34/5	38.0	RO .678	38.0
FL 1/134	38.0	FL 34/6	38.0	RO .906	38.0
FL 1/2	38.0	FL 38/1	38.0	RO .910	38.0
FL 1/212	38.0	FL 38/112	38.0	RO 1	45.0
FL 1/214	38.0	FL 38/114	38.0	RO 118	45.0
FL 1/3	38.0	FL 38/134	38.0	RO 12	20.0
FL 1/4	38.0	FL 38/2	38.0	RO 34	40.0
FL 1/5	38.0	FL 38/212	38.0	RO 58	38.0
FL 1/6	38.0	FL 38/214	38.0	RO 78	45.0
FL 12/1	38.0	FL 38/234	38.0	RO 916	17.0
FL 12/112	38.0	FL 38/3	38.0	RO .794	38.0
FL 12/114	38.0	FL 38/312	38.0	RO 114	45.0
FL 12/2	38.0	FL 38/4	38.0	RO 112	45.0
FL 12/212	38.0	FL 38/412	38.0	RO 134	45.0
FL 12/3	38.0	FL 38/5	38.0	RO 2	45.0
FL 12/312	38.0	FL 38/6	38.0	RO .625	38.0
FL 12/4	38.0	FL 516/112	38.0	RO .680	38.0
FL 12/412	38.0	FL 516/2	38.0	RO .875	45.0
FL 12/5	38.0	FL 516/212	38.0	RO .913	38.0
FL 12/6	38.0	FL 516/3	38.0	RS 120	35.0
FL 14/1	38.0	FL 516/4	38.0	RS 133	37.0
FL 14/112	38.0	FL 58/2	38.0	RS 95	32.0
FL 14/114	38.0	FL 58/212	38.0	SQ .640	40.0
FL 14/134	38.0	FL 58/3	38.0	SQ 12	27.0
FL 14/2	38.0	FL 58/4	38.0	TS 1.209	19.0
FL 14/212	38.0	FL 58/5	38.0		
FL 14/3	38.0	FL 58/6	38.0		
FL 14/312	38.0	FL 12/34	38.0		
FL 14/4	38.0	FL 38/34	38.0		
FL 14/412	38.0	FL 516/34	38.0		

FL 14/414	38.0
FL 14/5	38.0
FL 14/6	38.0
FL 316/1	38.0
L 316/112	38.0

GR 34/118	45.0
GR .978	33.0
RB 15m	65.0
RB 16/5	65.0
RB 19/6	65.0


Table 2b - RM2 Standard Product Rates - tph

Product	Bonus tph
CR 10/3	55
CR 10m	55
CR 13/4	58
CR 16/5	58
CR 19/6	47
GR .978	40
GR 34/118	45
RB 10/3	47
RB 10m	60
RB 13/4	75
RB 15m	76
RB 16/5	76
RB 16/5S	50
RB 19/6	76
RB 19/6S	55
RB 20m	76
RB 22/7	78
RB 25/8	78
RB 25m	78
RB 29/9	78
RB 32/10	78
RB 36/11	78
RB 43/14	45
RB 57/18	45
RB30m	78
RB35m	78
RO .680	38
RO .794	38
RO .910	38
RO .913	38

Product	Bonus tph
RO 1	45
RO 112	45
RO 114	45
RO 118	45
RO 138	45
RO 2	45
RO 34	40
RO 58	38
RO 78	45
RO134	45
sq .640	40
WR 10.0	58
WR 11.0	62
WR 12.0	55
WR 12.5	55
WR 13.0	55
WR 14	54
WR 14.0	55
WR 15.0	55
WR 16.0	55
WR 17.5	55
WR 19.0	45
WR 5.5	45
WR 6.5	54
WR 7.0	55
WR 7.5	55
WR 8.0	58
WR 9.0	55
WR 9.5	55

Table 3

Rolling Mills		216 hr week – 4 hr Maint. = 212 Op. hrs
Weekly Bonus tons	Bonus Pool	
0		
125	\$	1,000.00
250	\$	2,000.00
375	\$	3,000.00
500	\$	4,000.00
625	\$	5,000.00
750	\$	6,000.00
875	\$	7,000.00
1000	\$	8,000.00
1125	\$	9,000.00
1250	\$	10,000.00
1375	\$	11,000.00
1500	\$	12,000.00
1625	\$	13,000.00
1750	\$	14,000.00
1875	\$	15,000.00
2000	\$	16,000.00
2125	\$	17,000.00
2250	\$	18,000.00
2375	\$	19,000.00
2500	\$	20,000.00
2625	\$	21,000.00
2750	\$	22,000.00
2875	\$	23,000.00
3000	\$	24,000.00
3125	\$	25,000.00
3250	\$	26,000.00
3375	\$	27,000.00
3500	\$	28,000.00
3625	\$	29,000.00
3750	\$	30,000.00
3875	\$	31,000.00

## **Appendix C: COOPERATIVE PARTNERSHIP AGREEMENT**

### Purpose and Intent

The United Steel Workers, on behalf of its Local Union 8378 (Union) and Cascade Steel Rolling Mills (Company) recognize the value of and commit to work together to develop a labor-management partnership which serves the interests of the employees, customers, and stockholders and promotes employment security, employee involvement in the identification and solution of operation problems, customer satisfaction, open communications, mutual trust, and understanding. The parties are responsible for working together to reach joint decisions concerning issues regarding customer requirements, operation objectives, stockholder, and Union interests. The Union and Company leadership's commitment to this joint decision making, as detailed below, is mandatory for both parties for the life of the current Collective Bargaining Agreement.

It is the intent of the parties that a cooperative partnership will result in an improved quality of work life that recognizes the worth and dignity of all employees, facilitates their individual growth and development, and recognizes the need for each employee to contribute fully toward the success of the Company.

### Principles

- The viability of the Company depends on the employees fully utilizing their experience, skill, and intelligence to ensure continuing process improvements.
- Employees are responsible and trustworthy. An environment must be fostered where employees are treated in accord with this principle on a daily basis. The parties will take steps to build a truly participative joint decision making and problem solving style that recognizes the competitive advantage employees can provide.
- Employees and the Union should be provided with necessary information in a timely fashion, and training to use that information effectively, so that they can make effective decisions regarding their sphere of responsibility.
- The parties recognize that the implementation of a cooperative partnership is an extremely difficult task and must be approached realistically and patiently.

### Partnership Structure

The parties recognize that a successful partnership requires the establishment of appropriate organizational structures at both the Union and Company leadership level, as well as other levels.

The top level committee shall be the Plant Steering Team and shall include as Co-Chairman the Local Union President and the Plant Manager. The Co-Chairs will appoint for their respective sides the other members of the Plant Steering Team, and the number of appointees shall be equal for each side and shall not exceed eight persons total, including the Co-Chairs.

The Plant Steering Team will discuss such subjects as technological changes and plans, safety and health measures, the Company's strategic plan, staffing levels, production levels, quality of work-life issues, Production Bonus plan performance, and Profit Sharing Plan performance. The Plant Steering Team may charter Departmental Steering Teams, and/or additional task specific teams as it deems necessary to accomplish goals such as process problem solving, efficiency improvement, equipment utilization, and quality of work life improvement projects.

The Plant Steering Team shall meet no less than quarterly.

All Team meetings times shall be Company paid time, and all Team decisions shall attempt to be reached by consensus. Meeting minutes will be kept by a disinterested note taker and shall be approved by the Team Co-Chairs.

The Local Union President shall appoint the Union's Team members.

Team members shall be provided training in constructive discussions and consensus decision making. Union Plant Steering Team members shall be provided Union employee participation training of up to sixteen (16) hours per year and shall be paid by the Company.

The Plant Steering Team will guide partnership initiatives that are not in violation with the Labor Agreement.

The Plant Steering Team will identify measures of improvement by which the parties can track the achievement of, and progress towards, joint objectives.

### Guarantee

The parties agree that employment security is a priority objective of this Cooperative Partnership Agreement. No employee shall be laid off as a result of the implementation of ideas, suggestions, or recommendations from individual bargaining unit employees or from teams that include bargaining unit employees. Exceptions may be made where there is a major capital investment to affect a technology shift that results in significant crew size reductions.

### Final Decision Making and Dispute Resolution

The parties have entered into this Agreement for the purpose of making the Union and the Company partners in joint decision making to achieve the objectives of this Agreement. Finally, in the event joint decision making is unable to produce an understanding over a matter as to which, absent this Agreement management has the right to make a final decision concerning such matter, management shall make the decision, and such decision shall not be subject to the grievance procedure. With respect to any matter in this Agreement which deals, in part, with various matters as to which management has not heretofore had the unilateral right to make decisions, this Agreement gives management no greater right to make unilateral decisions

regarding such matters than it would have in the absence of this Agreement.

Disputes between the parties over whether a part is living up to its obligations under this partnership agreement are not subject to the grievance procedure.

**APPENDIX "D" -- OVERTIME EXAMPLES**

40 hrs, 5 x 8 hr days

An employee who works a Monday through Friday schedule, 7am-3pm and who works additional 12 hours overtime (4 hrs on Monday, Tuesday and Wednesday) the language would apply as follows:

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
7am-3pm	7am-3pm	7am-3pm	7am-3pm	7am-3pm		
3pm-7pm	3pm-7am	3pm-7pm				

Pay would be 40 hrs straight time, 12 hrs @ 1.65 time.

If this person works five days during a holiday workweek on eight-hour shifts the overtime language is to be applied as follows:

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
7am-3pm	Holiday, scheduled workday	7am-3pm	7am-3pm	7am-3pm	7am-3pm	

Pay would be 32 hrs straight time, 8-hrs holiday, 8-hrs @ 1.65 time

An employee who works six days during a holiday workweek (including the holiday) and the holiday is a scheduled work day, the overtime language is to be applied as follows:

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
7am-3pm	Holiday, scheduled workday & works 7am-3pm	7am-3pm	7am-3pm	7am-3pm	7am-3pm	

Pay would be 32 hrs straight time, 8-hrs holiday, 8-hrs @ 1.65 time and 8-hrs @ 1.65 time.

4 on, 4 off 12 hr. shifts

An employee who normally works a 4-days-on 4-days-off schedule and who works an extra day, the overtime language is to be applied as follows:

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
7am-7pm	7am-7pm	7am-7pm	7am-7pm	7am-7pm		

Pay would be 40-hrs straight time, 16 hrs @ 1.65 time, 4 hrs @ 2 time.

## **APPENDIX "E" -- CANTEEN COMMITTEE**

1. The Union shall administer any and all funds to be derived from the operation of the plant canteen located at the Company and shall operate under the guidelines set forth below.
2. The Union shall hold and use all canteen funds coming into its possession for the following purposes:
  - a. Flowers to be sent in cases of bereavement to immediate families of Company employees,
  - b. Educational scholarships and educational assistance for children of Company employees,
  - c. Recreational and social activities for Company employees, i.e., softball and Little League, bowling, golf, etc., or
  - d. Any other charitable purpose that has been approved by the Company.
3. The committee shall make an annual written report of the fund to the management of the Company and the Union.
4. It is agreed that the Company shall not be liable for activities or the administration of the canteen funds by the Union.

## **APPENDIX "F" -- NON-PRODUCTION WEEKEND OVERTIME**

When non-production weekend overtime work is required in the Rolling Mill, Shipping/Merchant Bar departments, it will be scheduled as follows:

1. A sign-up list will be posted in the Mill during the week the overtime is required.
2. Management will work the most qualified employees in order of their departmental seniority first, regardless of their shift.

## **APPENDIX "G" -- APPRENTICESHIP**

### Section A: Purpose

It is recognized in trade and craft work that varying degrees of ability and skill are required and that compensation should be commensurate with the skill required. This Appendix is provided to establish a training and upgrading program for employees of the Maintenance craft positions of Millwright, Electrician, Roll Turner, Machinists, and future State-approved apprenticeship programs, to ensure fair compensation to the employees and corresponding value received in service to the Company.

### Section B: Apprenticeship Committee

An Industrial Trades Apprenticeship Committee shall be formed of one Journeyman Electrician, one Journeyman Millwright, and an equal number of management employees. The Company has the right to require that bargaining unit representatives of the Committee have participated in and graduated from a formal apprenticeship program. This Committee shall make its rules, set meeting dates, and elect officers in compliance with the Apprenticeship and Training Law of the State of Oregon. The Committee shall administer the Cascade Apprenticeship upgrading program within the terms and provisions of this Appendix, the basic Agreement, and the Apprenticeship and Training Law of the State of Oregon. The Committee will review apprentice candidate qualifications, interview, and recommend to management the candidates for selection into the apprenticeship program. The Committee will review and approve/disapprove the re-rating of each apprentice at regular intervals and shall be supplied by the Company and the Union with whatever information it requires to carry out its functions.

The Company and Union recognize that when there are differences between language in this Appendix and the basic Agreement, only the language as set forth in this Appendix shall apply.

### Section C: Apprentice Upgrading Program

1. To progress through the various steps of the program an employee must: 1) work a certain number of hours in his trade or craft in a satisfactory manner, and b) take and pass a course in related academic units of study within certain specified time limits. The study units are to cover commonly accepted work practices of the trade or craft in question and are to test the employee's knowledge of the principles involved in the work to be performed. An employee who qualifies for, and enters into, the upgrading program must attain Journeyman status in his trade or craft within the stated time limits, or he shall be dropped from the program. This time may be extended by the Committee.
2. The related study units shall be those offered by Chemeketa Community College (or the equivalent) and shall first be approved by management. The apprentice shall keep receipts for tuition and necessary textbooks until he has successfully completed the course with a passing grade, at which time he may present such receipts to management for reimbursement.

3. An apprentice in the upgrading program who requests help in his related study units from the Company shall be given assistance from time to time on the employee's own time.
4. On the basis that 1,040 hours equals six months' work, each apprentice shall complete six months' service at each grade level except slot-in apprentices. Slot-in apprentices are those employees entered into the program at any grade other than grade 1. Such apprentices must complete six months' service at each grade level above and including his entry grade level.

Employees who qualify to slot in as apprentices as provided for in Section C.4 hereof, shall be required to complete only the number of related study units which are assigned for the next higher steps in the program. The specific study units to be completed shall be determined by the Committee subject to the Company's approval. However, an employee slotting in as an Electrician Apprentice must complete all of the study units contained in his approved course of study except as provided in paragraph 5 hereof.

5. With approval of the Apprenticeship Committee, no apprentice shall be required to duplicate a related study unit, or course of study required in the program, that he has successfully completed in high school, trade schools, or community college or other institutions of higher learning, provided he presents a transcript of his grades at the time he requests credit for such related units of course of study.
6. Practical work examinations may be given by management under the direction of the Maintenance Superintendent, using day-to-day work or a special job assignment related to day-to-day work as criteria.
7. When an employee has worked the required number of months, has satisfactorily passed his practical examination, and has completed with a passing grade in the required number of related study units, he shall be upgraded to the next step in the program, effective the working day following the day he fulfills the requirements.

#### Section D: Selection of Apprentices

1. The Company will establish certain entrance requirements into the program for individual employees and certain training standards which qualify the employee for full apprenticeship standing under the State program and upon completion of the Cascade program, shall qualify him for certification as a journeyman in his craft.
2. When the Company determines the need exists for a new apprentice the opening shall be bid in accordance with the current bargaining Agreement and awarded in accordance with this Section of this Appendix, provided that the successful bidder must meet the requirements of qualification and eligibility.
3. Bids for slot-in apprenticeship candidates shall be posted on a plant-wide basis and be so indicated by the words "slot-in" appearing on the bid sheet together with the name of the

craft desired and the number of apprentices required. Slot-in bids will not be posted for openings in grade level 2 or below. If the employee can present written proof in connection with such slot-in bid that he has at least one (1) year of bona fide experience in the trade or craft in question, or similar experience in a trade school, he is eligible to bid.

4. When openings occur for starter apprentices, bids will be posted plant wide. Entrance requirements and necessary qualifications will be stipulated directly on the bid sheet.
5. For either slot-in or starter apprenticeship openings, the Company reserves the right to fill the vacancy with the most qualified regular employee, including their aptitude, past work record and overall fitness.
6. Any employee who has completed an apprenticeship program is not eligible to bid into another department or apply for another apprenticeship program until after having worked as a journey person in the recently completed craft for at least two (2) years. In the event an apprentice is disqualified or self-disqualifies from an apprenticeship program within the first ninety (90) days, said employee will be returned to his/her previous bid job and shift. In the event an apprentice is disqualified or self-disqualifies after ninety (90) days, then said employee will be returned to their former department at the utility level with the department seniority date they had before they bid out to the apprenticeship. Thereafter the disqualified employee may bid for any department bid jobs that become available.

The Company shall make a good faith effort to offer apprentice positions for current non-skilled employees rather than hiring Journey level trades-people whenever reasonable to do so, notwithstanding that the number of apprentices in either trade at any time and the available openings for new apprentices shall be determined exclusively by the Company.

Section E: Grades and Rates of Pay

For the purposes of promotion and rates of pay, a 48-month training period shall be utilized and broken down into eight (8) six-month periods as indicated by Chart A. After successful completion of a six-month period, apprentices shall advance a grade and their pay shall increase to the percentage of the prevailing wage corresponding to their grade in Chart A.

An employee entering the apprenticeship program from the plant shall not have a reduction in pay below 85% of the journeyman rate of the craft apprenticed, and this rate will be frozen until the applicable apprenticeship rate is higher, at which point the applicable apprenticeship rate shall be paid.

Chart A

Training Time	Grade	Electrician	Millwright, Roll Turner, Machinist
First 6 months service	1	60%	65%
After 6 months service	2	65%	69%

After 12 months service	3	69%	73%
After 18 months service	4	73%	77%
After 24 months service	5	77%	80%
After 30 months service	6	80%	85%
After 36 months service	7	85%	90%
After 42 months service	8	90%	95%
After 48 months service			
Journeyman		100%	100%

Section F: Off-the-Job Training

Employees are expected to attend off-the-job training classes on their own time, except during their normal working hours. When classes are scheduled during regular working time apprentices are expected to work up to an hour prior to the start of class or return to work as soon as possible after the class. The parties may mutually agree to extent this period if necessary. Employees will be paid for time away from work due to scheduled classes.

Section G: Work Processes

1. Apprentices must furnish the basic required tools of the trade. Specialized tools will be furnished by the Company. In all cases, tools furnished by the Company shall remain the property of the Company.
2. An apprentice may be assigned to whatever work is available or necessary, and receive their regular rate of pay. Under the Apprenticeship Program it is clearly recognized that apprentices are qualified to perform duties only to the extent of their ability and skills as determined by their classification.
3. Apprentices can be assigned by the Company to a rotating shift schedule. The Company can assign shifts and days off that will not exclusively interfere with time required for off-the-job training classes.

Section H: Probation and Termination of Apprenticeship

1. Probation: An employee who is awarded a bid as an apprentice or trainee in any classification will be on a probationary status for his initial 520 hours, during which time he may be removed from the job at the Company's discretion if he is not showing the potential to become a journeyman. If he is so removed, he will be returned to his former job. Such employee may voluntarily return to his former job during his initial 15 shifts of work.
2. Termination:
  - a. By the Apprentice: An individual apprentice may, at any time at their discretion, terminate their apprenticeship status by accepting a bid outside of the apprenticeship. Employees who voluntarily terminate their apprentice status shall be ineligible to bid

on the same or any other apprentice opening or a period of twelve (12) months from the date they terminate. If any employee leaves the program except as provided above, or any other reason, he shall lose his Maintenance Department seniority.

- b. By the Company: The Company may terminate an employee's apprentice status for just cause at any time.

If it becomes necessary, as determined by management, to reduce the total number of employees engaged in training because of a curtailment in operational requirements and needs, emergency, temporary, and otherwise, such reduction shall be in accordance with the provisions of the current bargaining Agreement. Employees so affected shall retain recall rights to the particular trade in which they were engaged, and when recalled shall be reinstated in the respective period of apprenticeship or training he held at the time of the reduction in force.

## **APPENDIX "H" -- TOOLS & COVERALLS**

All employees classified as Electricians, Millwrights or Roll Turners, apprentices, and any future crafts recognized as State-approved apprenticeship programs, will receive a \$150 tool/laundry allowance for each complete six month period. This allowance will be paid each March 1st and September 1st. (We will prorate the first year's implementation to those who have already been paid a portion of their yearly allowance. No one will lose this benefit as a result of this Agreement.)

New employees are not eligible until they pass probation. In the first year new hires are eligible for a prorated portion based on one twelfth (1/12) for each full month service after probation. Employees who leave before year's end are also eligible for a prorated portion using the same formula.

In addition to the above, reimbursement and/or replacement due to breakage or wear out will be made after the employee has presented said tool to their supervisor. Claims for lost tools will be approved by the supervisor also. Approval will not be unreasonably refused.

## **APPENDIX "I" -- NOTICE OF SHUT DOWN OR CLOSURE**

The Company shall give the Union at least a thirty (30) calendar day advance notice before temporarily or permanently shutting down or closing either the entire plant or an entire department.

Routine and customary or emergency maintenance, scheduled construction, renovation shut downs, temporary department shut downs of thirty (30) calendar days or less, or temporary or permanent reductions in the number of employees working in a department (provided at least one shift is maintained), are not subject to such notice requirements.

A shutdown or closure due to any act of God, public enemy or any fire, disaster, or breakdown or any other occurrence beyond the Company's control shall be the exception to this rule.

Failure to provide such thirty (30) calendar day notice shall result in the Company making the employees whole by paying wages and benefits for thirty (30) days or for the duration of the shut down or closure whichever is less.

If the Federal Government enacts legislation to cover plant closures the Company reserves the right to substitute the provisions of the applicable federal law in lieu of this section.

**LETTER OF UNDERSTANDING:**

Prior Supplemental Agreements

With regards to the supplemental agreements entered into during the term of the 1994-2000 expired agreement, only those indicated below shall remain in effect. All others have either been replaced with new contract language, or are otherwise obsolete.

	Date	Agreement Title
A)	May 30, 1984	Electrician Overtime
B)	May 30, 1984	Department Shutdown
C)	May 30, 1984	Maintenance Reduction In Force
D)	July 31, 1981	Apprentice/Journeyman Job Seniority

A) May 30, 1984 -- ELECTRICIAN OVERTIME

This agreement shall modify Article 9, Section 9.6, paragraph B, sub-paragraphs 1 and 2 for electricians. All other sections of the labor agreement will apply.

Overtime for electricians in the Maintenance Department will be distributed on the following basis:

(a) Overtime will first be offered to the senior eligible and qualified employee who is on his day off who is on the shift affected.

(b) If this cannot be achieved, or if additional employees are required to work on a job, the Company will hold over a senior eligible and qualified employee from the prior shift or call in early from the following shift.

Sub-paragraphs 3 and 4 shall remain in effect as written for electricians.

B) May 30, 1984 -- DEPARTMENT SHUTDOWN

When a Department is permanently shut down the displaced employees will re-establish department seniority as follows:

a) The displaced shutdown employee shall claim another job in accordance with the reduction in force procedures set forth in Article 8 of the basic agreement.

b) When a displaced shutdown employee displaces an employee with less plant seniority on a job s/he had previously held by Bid Award the shutdown employee shall be granted department seniority equal to that which s/he had prior to leaving that specific job.

c) A displaced shutdown employee who claims a job which s/he had not previously

held shall be granted department seniority equal to the least senior employee remaining in the job s/he bumps into.

d) In the event the shutdown department restarts at a later date the displaced employees will be recalled in accordance with Section 8.4 of the basic agreement and shall be granted department seniority s/he had at the time the shutdown occurred.

e) An employee who refuses recall to a department shall lose all department seniority which was granted under b) and c) at the time the shutdown occurred.

#### C) May 30, 1984 -- MAINTENANCE REDUCTION IN FORCE

The number of employees within a Trade or Craft (including apprentices) and the number of other employees in the Maintenance Department shall be determined exclusively by the Company. In the event that a shutdown or reduction in force occurs within a Trade or Craft or other job classification within the Maintenance Department the employees to be reduced or laid off shall be determined in accordance with the basic agreement.

For purposes of determining who is to be reduced within a specific Trade or Craft, apprentices in their 6th period and below shall be considered a separate job classification from their respective journeyman classifications.

#### D) July 31, 1981 -- APPRENCICE/JOURNEYMAN JOB SENIORITY

It is understood between the parties that when an Apprentice Millwright or Electrician completes the program and is upgraded to a Journeyman his job seniority will remain the same as the date he became an Apprentice. His department seniority date will remain the same as the date he entered the Maintenance Department.

#### **LETTER OF UNDERSTANDING:**

Employee Assistance Program

The Company will provide an Employee Assistance Program. Any costs not covered by the plan or by the insurance carrier will not be a Company obligation. A brochure entitled "Our Employee Assistance Program" will be provided to each employee.

#### **LETTER OF UNDERSTANDING:**

Production Quality Committee

The Company affirms its intent to continue the Production Quality Committee. The President of the Local Union shall select one person to serve as co-chairman of the Committee. The Operations Manager shall similarly appoint a co-chairman. Participation on the Committee by members of the bargaining unit shall be voluntary. The Company agrees to pay one hour's pay, at the employee's regular rate, for those employees who participate on this Committee off-shift. On-shift employees, provided they have received prior authorization from their supervisor, shall be paid

for the time lost.

**LETTER OF UNDERSTANDING:**

Shredder

If, in the future, the Company decides to install a shredder on the McMinnville plant premises, operation of the shredder will be bargaining unit work.

**LETTER OF UNDERSTANDING:**

Job Evaluations

Due to the time constraints in completing this final draft proposed agreement, the Company recognizes that there may be a number of job positions in proposed Appendix A -- Wage Rates and/or exceptions and red circle rates that require further evaluation for job level and wage. It is the intent of the Company to address these in a timely manner and throughout the duration of this agreement positions may be evaluated as necessary in accordance with Article 11: Wages.

**LETTER OF UNDERSTANDING:**

Janitor Position

At least fifty percent (50%) of the janitorial staff, or two (2) positions, whichever is greater, shall be reserved for employees with medical restrictions. In the event there are no employees with medical restrictions, the Company shall assign junior employees or new hires to temporarily fill the position(s) until the job is filled by an employee on temporary light duty, or an employee with permanent medical restrictions.

The rate of pay for an employee with a non-industrial condition shall be the existing Janitor rate.

The duration of the temporary assignment will be up to sixty (60) calendar days, and may be extended upon mutual agreement.

In the event that there are two or more employees with medical restrictions (due to a compensable industrial injury or accident) who are qualified and available for the position at the same time, the employee with most plant seniority will be awarded the job. If there are no compensable injured employees available, this rule also applies to where there are two or more employees disabled due to non-compensable reasons.

The Company may elect to job share this position.

**LETTER OF UNDERSTANDING:**

Fire, Search & Rescue

It is agreed that fire, search and rescue which are bona fide and verifiable shall be counted as time worked.

**LETTER OF UNDERSTANDING:**

Funeral Leave

An employee may request a personal leave of absence in order to attend a funeral of a relative or close personal friend. This would be considered "Funeral Leave." The same rules apply towards funeral leaves as apply towards personal leaves of absence.

The department grievance person for a deceased employee shall be allowed 90 minutes of paid time off for the purpose of attending the deceased employee's funeral.

Any time taken off as a result of this letter shall be counted as time worked for purposes of profit sharing.

**LETTER OF UNDERSTANDING:**

Plant Overtime

This letter only applies to all departments when scheduled to work an eight (8) hour schedule 5 days per week. When the Company determines that extra production is required of a certain product and schedules weekend overtime work as a result, notice will be posted at least 48 hours in advance.

When schedules are interrupted due to an unexpected breakdown, unusually long changeover, emergency, or other occurrence beyond the Company's control, production overtime may be scheduled on weekends without 48 hours notice. In such event the Company will post notice as soon as it is determined that weekend production work is required.

**LETTER OF UNDERSTANDING**

Witness Pay

In the event there is an arbitration or litigation between the parties:

1) A. The Company will pay wages for any lost time caused by a Company subpoena in any legal proceeding (arbitration, unemployment, court, etc.) but such lost wages will be reduced by any amounts paid under agency or court rules for the employee's appearance as a witness (but not any travel or per diem allowances);

B. Wages shall be paid for any lost time (four hour minimum), excluding travel time, caused by the Company subpoena of an employee for an arbitration proceeding on his/her day off; and,

C. The Company shall use its best efforts to accommodate employees on their days off by attempting to schedule testimony on scheduled workdays.

2) Under no other circumstances will the Company be required to pay or reimburse employees when it is necessary to subpoena an employee on a day off, or when the subpoena is

issued by any party other than the Company.

- 3) Arbitration cancellation, etc., costs to be split in the normal manner.

## **LETTER OF UNDERSTANDING**

Outside Contractors

March 5, 1992

Mr. Mike Sullivan  
Mr. Dan Senay  
United Steelworkers of America  
Local 8378  
P. O. Box 42  
McMinnville, OR 97128

Gentlemen:

The purpose of this letter is to commit to writing the understanding of how Cascade Steel Rolling Mills, Inc. (CSRM) and Steelworkers Local 8378 will manage outside contractors.

In order to avoid contractual grievances associated with the use of outside contractors, the following is hereby agreed:

1. The Company acknowledges that the Union has a historical record of contesting the use of outside contractors, and that it has raised this issue for the repair currently being made on the Melt Shop roof.
2. In the future, whenever the Company intends to use outside contractors, CSRM will use its best efforts to notify Messrs. Michael Sullivan and Dan Senay of the project details before work actually begins.
3. Pursuant to #2 above, CSRM will meet with the Union (Sullivan, Senay, and Whitlow) when requested to explain why the Company needs to use an outside contractor. Meetings will be held as soon as conveniently possible.
4. Nothing in this letter is intended to diminish, change, abolish, or modify either parties' rights under the Labor Agreement. The above notification and information meetings shall not be construed to prevent treating any disputed "contracting out" decision as a claimed grievance under Article IX, nor shall any Agreement to "contract out" be precedent setting.

It is understood that the sole purpose of this meeting was to address the "contracting out" issue and that this is a trial procedure that either party may cancel at any future date.

For Cascade Steel Rolling Mills, Inc.:  
Bob Brisco  
Mike Hereford

For the Union:  
Michael Sullivan  
Dan Senay

**LETTER OF UNDERSTANDING**  
Reduction in Force

August 16, 1991

Mike Sullivan  
United Steelworkers of America  
Local 8378  
P. O. Box 42  
McMinnville, OR 97128

Regarding: Article XII Section C, Reduction in Force

Dear Mike:

In my letter of May 21, 1991, I gave you my initial interpretation of how the negotiating parties intended the above-captioned language to be interpreted. In review, I based my interpretation on the negotiation notes of the Company and statements made by Jim Smith, the Union Spokesman, and determined that when a reduction in force occurred, the language "successfully held the classification" meant held the job by bid award.

I was comfortable with this interpretation, but to be as sure as I possibly could be, I contacted William Lubersky, the Company spokesman for the negotiations. Mr. Lubersky reviewed his notes and was in agreement with my May 21, 1991, letter to you. With the exception of how "successfully held the job" was interpreted.

The Company's intent was to assure that the jobs (previously performed by the incumbent) would be performed by "qualified" people as a result of the reduction in force. Mr. Lubersky's recollection and notes affirmed to me that this requirement was met in Section C language requiring an employee to have successfully held the job classification and "... must be qualified to perform the work" and Section A(4) definition of qualification as including the ability "... to efficiently perform the work using existing technology and equipment." Therefore, I am satisfied that the employee does not have to have held the job by bid award, but he would have to be qualified and successfully held the job as outlined above.

If you have any questions, please feel free to give me a call.

Signed: Joseph Osa  
Human Resource Manager

**LETTER OF UNDERSTANDING**  
IMS Contracting Out

As a supplement to the November 22, 1996, settlement agreement between the Company and the Union over grievance #1630-U-95 outlining IMS contracting out responsibilities, the parties agree that so long as IMS is the contracting out company, the processing of tails using its shear will not be a violation of this Agreement.

**LETTER OF UNDERSTANDING**  
ADA Processes

The parties agree that the seniority provisions of this Agreement shall remain in full force and effect in accordance with Arbitrator Sandra Gangle's decision, FMCS No. 98-03455, of August 26, 1998. Except where limited by the Gangle Arbitration decision, all other employee rights under the Americans with Disabilities Act or State of Oregon employment laws shall not be abridged by either party to this Agreement.

**LETTER OF UNDERSTANDING**  
Apprentice/Journeyman Seniority

October 9, 2000

Mr. Fred Carl, President  
United Steelworkers of America  
PO Box 42  
McMinnville, OR 97128

RE: Apprentice/Journeyman Seniority

Dear Fred:

The purpose of this letter is to reconfirm our long-standing past practice of how seniority is recognized for apprentice employees who complete a company apprenticeship to become a journeyman. Both the union and management are in agreement that this understanding needed to be refreshed so this letter may be included as a part of the printed contract we recently negotiated.

As you are aware, it has been an agreed past practice between the signing parties that the company

can schedule craft apprentices without regard to seniority. Whereupon the successful completion of the apprenticeship program, said apprentices are then upgraded to journeymen status. At the precise moment of becoming a journeyman, his/her job seniority will then be recognized as the same as the date that he/she began working in the maintenance department.

The net effect of this agreement is that once an apprentice has become a journeyman they will, for seniority purposes, leapfrog over any employees who may have been hired during their apprenticeship tenure.

I believe the above narrative accurately describes the understanding as it has historically been applied. If you, for any reason, disagree with this understanding, please notify me immediately. However, if you are in agreement, then please indicate your concurrence by signing in the designated space below retaining one of the two copies I have enclosed for your records.

For Cascade Steel Rolling Mills, Inc.:                      Michael R. Hereford  
Human Resources Manager

For the Union:                                                              Fred Carl  
President

**LETTER OF UNDERSTANDING:**  
Carpenter Positions

The parties to this Agreement hereby affirm that during the course of the recently concluded negotiations, the job classification “carpenters” was deleted from Article 2: Recognition. With this successor agreement, the company now recognizes that carpentry work will henceforth be considered bargaining unit work. Further, the parties have also agreed that after April 1, 2001, if the jobs currently being performed by Randy Ball and Kevin Webb continue, then said jobs would be bid in accordance with the Labor Agreement.

**LETTER OF UNDERSTANDING:**  
RE: Signing Bonus

August 4, 2005

Dear Mr. Prescott:

Pursuant to the most recently concluded negotiations for a new Labor Agreement, this letter confirms that all employees on the payroll as of July 19, 2005, will be paid a bonus of \$600 for ratifying the successor contract.

Very truly yours,

Michael R. Hereford  
HR Manager

cc: Dan Senay

**LETTER OF UNDERSTANDING:**  
RE: Current Outstanding Grievances

August 4, 2005

Dear Mr. Prescott:

Pursuant to the most recently concluded negotiations for a new Labor Agreement, this letter confirms the parties' intent to mediate and/or interest arbitrate the pending grievances with the understanding that no final determination will have any precedent setting value to either the Union or the Company.

Further it was agreed, that Mediator, Paul Stuckenschnieder, shall serve as the mutually agreeable neutral throughout the process.

Very truly yours,

Michael R. Hereford  
HR Manager

cc: Dan Senay

**LETTER OF UNDERSTANDING:**  
RE: Shotgun Bid

August 4, 2005

Dear Mr. Prescott:

Pursuant to the most recently concluded negotiations for a new Labor Agreement, this shall confirm the intent of the parties that both the Rolling Mill Department and the Shipping Department will conduct departmental votes to determine whether a majority of the employees in each respective department wants to have a shotgun bid process under the terms of the recently negotiated Labor Agreement. Each department will decide the issue autonomously from the other.

Very truly yours,

Michael R. Hereford  
HR Manager

cc: Dan Senay

**LETTER OF UNDERSTANDING:**

RE: In the Event of the Discontinuance of The Western Independent Shops Pension Plan

August 4, 2005

Dear Mr. Prescott:

Pursuant to the most recently concluded negotiations for a new Labor Agreement, the parties agreed that in the event the Western Independent Shops Pension Plan no longer remains operational or the is taken into Trusteeship by PBGC, then Cascade Steel and the United Steelworkers will bargain over any excess funds not required for funding purposes up to \$2.66/hr.

In the event the Company is no longer required to make any contribution to the Pension Plan per Article 18, Section 18.1.C to satisfy the IRS 412(E) required contribution, then the parties will meet to bargain over the \$1.66/hour overtime contribution formerly paid.

Should the parties fail to reach agreement, the dispute may be submitted to a neutral third party for settlement by interest arbitration. Within ten (10) days of such arbitration request, the parties shall simultaneously exchange last and final offers. The Arbitrator shall be selected as outlined in the Grievance and Arbitration section of this Agreement. The Arbitrator after considering the evidence must rule either for one or the other of the party's final offer with no allowance for a compromised opinion. The Arbitrator's decision shall be final and binding upon each party. The Arbitrator's fees and expenses shall be paid in equal amounts by the Union and the Company.

Very truly yours,

Michael R. Hereford  
HR Manager

cc: Dan Senay

**LETTER OF UNDERSTANDING:**

RE: Scheduling of Vacations

August 4, 2005

Dear Mr. Prescott:

Pursuant to the most recently concluded negotiations for a new Labor Agreement, this letter confirms the understanding reached between the parties regarding vacation scheduling. It is the Company's intent to facilitate an individual employee's request for vacation time whenever practicable. Although the ultimate decision making regarding staffing levels in a department resides with management, it is our express intention to allow as many people to take vacation without putting the operations at risk. This may mean from time-to-time, that the payment of overtime for replacement wages may be required and should not necessarily be the basis for a vacation denial.

Very truly yours,

Michael R. Hereford  
HR Manager

cc: Dan Senay

**LETTER OF UNDERSTANDING:**

RE: Pay Rates for Probationary Trainee Rates

August 8, 2005

Dear Mr. Prescott:

Pursuant to the most recently concluded negotiations for a new Labor Agreement, this letter confirms the parties' intent that probationary and /or trainee employees who bid into a department job class above the utility classification will be paid the appropriate rate of pay for the commensurate job.

Very Truly Yours,

Michael R. Hereford  
HR Manager

Cc: Dan Senay

**LETTER OF UNDERSTANDING:**

RE: Overtime Rates with Production Bonus Plan

August 8, 2005

Dear Mr. Prescott:

Pursuant to the most recently concluded negotiations for a new Labor Agreement, this letter confirms the parties' intent that the overtime rates of pay as outline in Sections 9.4.B and 9.5.A and any other sections that apply, then the overtime rates will revert back to 1.5 times the straight-time hourly rate for hours over 40 up to 50 within a week, and 2 times the straight-time hourly rate for hours worked in excess of 50 hours within a week should the Production Incentive Bonus be discontinued for any reason.

Very Truly Yours,

Michael R. Hereford  
HR Manager

Cc: Dan Senay