

**UNITED STEELWORKERS LOCAL 1023**

**TENTATIVE  
AGREEMENT  
SUMMARY**

**2010 NEGOTIATIONS BETWEEN UNITED STEELWORKERS  
LOCAL 1023 AND YOKOHAMA TIRE**

**5/16/2010**

Upon ratification the term of the agreement will be effective from May 16, 2010 to May 16, 2014

## INTRODUCTION

Brothers and Sisters,

On Sunday, May 16, 2010, your Negotiating Committee reached a tentative agreement with Yokohama Tire management for a four year agreement that will run from May 16, 2010 to May 16, 2014. The Committee recommends approval of this agreement and we submit this tentative agreement for your consideration.

This following summary will provide you with a detailed outline of the tentative agreement, however copies are available of the full tentative agreement upon request.

We recommend that you study this summary carefully before voting on the Tentative Agreement.

In solidarity,

USW 1023 Negotiating Committee:

STEVE JONES, PRESIDENT

DAVIS MURPHY, VICE-PRESIDENT

ERIC ANGEL, RECORDING SECRETARY

BRIAN ROBERTS, FINANCIAL SECRETARY

KEVIN ROBERTSON, GUARD (EXECUTIVE BOARD)

## WHAT THE COMPANY WANTED

- A pension freeze for all employees, and having everyone participate in a 401(K) defined contribution plan,
- Major increases in premiums, drug co-pays for active employees and retirees,
- Increase the weekly medical premiums to \$11, \$22, and \$34,
- Major changes in the calculation for accidental and sickness benefits, and reducing the benefit from 52 weeks to 26 weeks.
- Elimination of double disability pensions and all employees having to qualify social security disability prior to receiving extended disability benefits,
- “New Hire” employees would never become eligible for the regular benefit plan,
- Capping vacation to 4 weeks for all employees hired after 1991 and all other employees would be frozen at 5 and 6 weeks respectively,
- Doubling the amount of weekend hours for “A” and “B” shift employees and reducing the notification periods for weekend overtime and “E” shift overtime for modified weekend employees,
- Requiring employees to burn two weeks of vacation for FMLA leave and requiring other forms of leave (A& S and Workers’ Compensation) to subtract from the FMLA 12 week allotment. The Company also wanted to burn FMLA leave for employees on overtime restriction when they would have been required for that block of overtime if the restriction did not exist,
- Including all absences in the formula for the minimum 10% vacation allotment,

Also during the course of negotiations the Company sought the following changes also, tighter vacation scheduling (forced spread), open-ended use of production specialists, caps on the amount of restricted employees who can work in a given department, removal of the storeroom from the maintenance structure, changing the letter #1 (D600 Letter) in the CBA, and requiring tire builders to perform at 120% on a daily basis.

**TERM OF THE AGREEMENT**

The proposed Agreement is a four (4) year term, expiring May 16, 2014. Within the agreement the Company has agreed to reissue the “no plant closure” letter #30 for the life of the agreement.

**WAGES AND COST OF LIVING ALLOWANCES**

We were able to regain our COLA structure and removed all “lump-sum payment” language from the agreement. Thus, for the next four years all potential gains through cost-of-living will be incorporated in the base wage rates for day-work employees and paid on the outside of the base wage rate for incentive workers accordingly:

<b>Hired prior to 4/16/07</b>	<b>Less than three years service</b>	<b>Over 3 years service</b>
100%	70%	100%

Upon ratification all employees shall receive \$0.50 of the 2007 \$1 diversion returned to the base wage rates for day work employees at 100%.

Upon ratification incentive workers hired prior to 4/16/07 shall see the \$0.50 plus the unincorporated cost of living (\$0.937) factored into their base wage rates at a factor of 1.18.

Incentive workers hired after 4/16/2007 shall receive the \$0.50 at 100%, and those monies will not be incorporated into the base wage rate along with the current unincorporated COLA, allowing a 100% bump-up upon attaining three years of service.

Upon ratification all skilled craft, maintenance employees shall receive a \$0.20 increase to their base wage rates in addition to the \$0.50 stated above.

## VACATION

We were able to keep the Company from capping vacation allotments. Thus, the current vacation structure shall remain “as-is”. The committee was able to negotiate three (3) days worth of vacation to be taken in four hour increments for all Monday-Friday shifts (“C” and “D” shifts will be allowed to take half days vacation on their Monday-Tuesday or Thursday-Friday shifts).

## PENSION AND DOUBLE DISABILITY PENSIONS

The theme of this negotiation was largely centered on pension and medical benefit issues. The Company was determined to institute a 401 (K) defined contribution plan in lieu of our current pension plan as well as removing the double disability supplemental benefits.

Thanks to the solidarity of our union we were able to maintain both our current pension plan and our double disability pension supplements “as is” for all employees. We were also able to fight off the requirement of being approved for social security disability in order to be eligible for disability benefits.

In addition to maintaining our pension plan structure, we were able to secure an increase in the multiplier to \$56 per year of service

## LIFE INSURANCE AND SURVIVOR BENEFITS

The Committee was able to negotiate an increase in the basic life insurance benefit from \$45,000 to **\$50,000**. In addition we were able to get a reduction in the required age for bridge benefits for a surviving spouse from 47 to 45.

The Committee also broke ground in negotiating language in the instance an employee dies the spouse (and any dependent children) would keep medical benefits for 12 months (24 months if due to job related illness or accident).

## DRUG CO-PAYS

The Committee was able to negotiate that all drug cost shall remain at the current levels (no increases) for all active employees, retirees, and pre-1998 retirees, however the maximum day supply for mail order drugs shall reduce from 100 days to 90 days.

## VISION BENEFITS

The Committee was able to negotiate increases in the vision care benefit. The following benefit structure:

- Examination: \$65
- Single vision: \$42
- Set: \$84
- Bifocals: one \$45; set \$90
- Trifocals: one \$56; set \$112
- Lenticular: one \$62; set \$125
- Contacts: one \$50; set \$100; One supply of disposable lenses: \$100
- One frame for eyeglasses: \$85

## MEDICAL BENEFITS

Throughout the negotiating process the Company said that they had to have the “industry weekly premiums,” which were \$11, \$22, and \$34. In the end the Committee was able to get that reduced to the lowest cost in the industry at **\$10, \$20, and \$30**.

There was no change in the deductibles or maximum out of pocket expenses.

## ACCIDENT & SICKNESS BENEFITS

There will be no change in the Accident & Sickness benefits

## **FAMILY MEDICAL LEAVE**

The committee fought hard against many of the changes to the way the Company has to administer Family Medical Leave at our plant. Initially the Company wanted employees to use two weeks of vacation for any leave, as well as forcing employees to use FMLA for both workers' compensation leaves, and A & S leave. The Company even wanted to charge people with FMLA when they were unable to work overtime due to medical restrictions.

In the end the Committee was able to hold back the Company's attempts however; any employee taking intermittent FMLA will be charged up to a maximum of three (3) days vacation. The accepted language is:

1. *Employees seeking FMLA leave on an intermittent basis will utilize a maximum of three days (24 hours) of unused vacation to run concurrent with their first three occurrence's of approved intermittent FMLA leave (per calendar year). For the purpose of this language an occurrence is defined as any time off from the employee's scheduled regular shift for intermittent purposes. Tardy/leave early absences will count as a half day vacation for each occurrence per calendar year. Full day absences will count as a full day vacation for each occurrence per calendar year. This will only apply to employees who have a minimum of three weeks of vacation allotment per calendar year.*

## **DEFINED CONTRIBUTION SAVINGS PLAN—401(K)**

Even though the Committee fought hard to preserve our pension plan, we were able to improve the investment options in the current 401(k) savings plan.

The following funds will be added to the 401(k) plan:

- Fidelity Contra Fund (FCNTX)
- Fidelity Low-Priced Stock (FLPSX)
- PIMCO Total Return (PTRAX)
- Fidelity Small Cap Discovery Fund (FSCRX)
- Fidelity Select Gold (FSAGX)

In addition to the funds added above, the Union and the Company will form a committee to monitor all of the investment options and jointly recommend any additions or deletions as appropriate.

## **FASB ACCRUAL FUND—VEBA**

The FASB accrual fund that was created in the 2007 agreement will be transferred from a book account to a VEBA trust in order to allow for investment of the funds, and to protect the long term security of the fund. Upon ratification \$0.50 of the \$1.00 diversion will be returned to employees weekly earning (as stated in the COLA section) and \$0.50 will continue to be diverted to the new VEBA trust.

## **NEW HIRE LANGUAGE**

When it came to improvements in the new hire benefits and wages the Company resisted all efforts that the Union proposed, and in fact the Company strived to remove the roll back on medical benefits after three years, reduce the amount paid for A & S benefits plus reduce the benefit from 52 weeks to 26 weeks, cap vacations at a maximum of four weeks, and mandate that all new hires would not be eligible for pension benefits.

In the end, the Committee was able to hold off these attempts and fix COLA for new hires going forward (as stated in the COLA section), medical benefits after 90 days, and the right to bump and select a workstation in line with their seniority.

## **SAFETY AND HEALTH**

The Committee also made gains in the area of safety and health language in the following areas:

- Improve notification concerning workplace accidents
- Upon ratification the Company will conduct 4 fire drills (1 per shift) and then 2 per calendar year, to rotate among the shifts.
- All the 16 hours used to discuss safety, health, ergonomic issues, and reviewing accidents will now be paid by the Company

- Employees who have not worked on any job for a period of twelve (12) months or more shall be advised of any changes regarding SOP, safety procedures, operational procedures, etc to insure they will be able to perform the job safely.
- Additionally, each safety network member will be provided one hour to meet with the joint safety committee during monthly safety committee meetings/plan audits (when audit occurs on their respective shift). The purpose of those meetings will be for training and or discussion of safety issues
- The Company will provide two (2) 30-hour OSHA training classes for all new safety network members. Once within 6 months of ratification of contract and once in 2012 for all new safety network members.
- Added June to the requirement to provide electrolyte based fluids.

## GRIEVANCE PROCEDURE

The Committee was able to negotiate the following language to help improve the grievance procedure:

- If the grievance is not appealed in writing to the Company requesting arbitration within forty-five (45) days of receipt of the answer rendered in step 3, *then the grievance shall be automatically withdrawn on a no fault/no precedent basis.*
- Additionally, the Union can take one (1) non-discharge/suspension grievance to arbitration per year out of chronological order. The Company also agreed to that after the ratification of the agreement the Union can select five grievances to be slated for arbitration regardless of the chronological order.
- Within 30 days after ratification the Union and the Company will meet to select a new arbitration panel for non-incentive grievances.

## MISCELLANEOUS

- Added the 3<sup>rd</sup> step settlement 100-01 to the agreement which spells out how daily overtime is to be distributed.
- Company has the right to do a one-hour start-up when doing a start-up following the following holidays: Thanksgiving, Christmas, and New Years –would require “C” shift to work 13 hours in these instances.
- The incentive complaint procedure shall be available *anytime a SHP standard is in dispute*.
- [Incentive workers] Assignments to train employees will be paid at 125% (no longer need to be a certified trainer).
- [Incentive workers] The 120% payment level will also apply if the incentive employee is involuntarily temporarily assigned to the Utility classification for *one (1)* or more hours on a shift.
- Modified weekend employees (production and maintenance) will not be scheduled for E-shift if taking vacation on Tuesday before for C-shift or Thursday after for D-shift unless no other qualified employee is available for scheduling or no qualified replacement employee has volunteered to cover the available hours. (NOTE: the above language only applies to employees who were on approved vacation on Tuesday for C-shift or Thursday on D-shift prior to E-shift scheduling taking place).
- In cases where an employee is drawing A&S benefits due to a denial of Workers Compensation benefits, and the employee is contesting such denial to the Workers’ Compensation Commission, the Company shall not deny an employee the right to seek work within his restrictions until the Workers’ Compensation Commission rules on the denial of benefits. In such instances the employee shall not endure a loss of seniority.
- Company must give one week notice prior to moving a Maintenance employee to day shift for training purposes.
- Where both PM and Breakdown work in the same area the overtime distribution will first be offered then scheduled in work area/zone, then offered the scheduled in the division.

- All payroll or production correction forms will be provided in carbon-copy format. When corrections are filled out, a supervisor will acknowledge receipt with his signature and date and the employee will receive his copy at that time.
- In instances where an employee is displaced from the job he was awarded per the bid process within 2 months of the job award, such employee will be given back his right to bid.
- If employees are displaced and the health placement fails to be successful, then the affected employee(s) shall regain the right to bump back to the shift they were displaced from in line with their seniority
- If an employee has exercised his/her shift preference (“bump”) and is displaced off his/her shift due to a shift alignment within two (2) months or exercising his or her shift preference, such employee will regain his/her right to bump.
- Any job posting to fill the vacancy of an employee who is selected for temporary leave of absence to work for the International or AFL-CIO will be posted as a temporary job for the term of service, and any employee who bids, or is placed on this job will be excessed when such term is over.