



# LOCAL 1010

7047 Grand Ave. Hammond, IN 46323

219.937.7784 219.937.7684 (Fax)

web usw1010.org

**Steve Wagner** - President **Don Seifert** - Vice President

**Don Jones** - Recording Secretary **Rosa Maria Rodriguez** - Financial Secretary **Max Carrasquillo** - Treasurer

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Local 1010 Members,

Below are the 2018 Contract Changes as the Summary and is now on the Local 1010 Website.

You will also receive a Contract Summary and ballot in the mail from USW International.

Please watch for it as there is a deadline for your vote to be returned to Pittsburgh.

We are securing a location for explanation meetings on Saturday November 17....more information to follow.

In Solidarity,

Steve



# **SUMMARY**

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**of the  
PROPOSED AGREEMENT  
between the  
UNITED STEELWORKERS  
and  
ARCELORMITTAL USA**

**November 2018**

*In memory of our brother and friend, Luis Aguilar, a member of our negotiating committee and contract coordinator from USW Local 1010 whose tireless dedication and service to our union will be sorely missed and fondly remembered.*



*July 9, 1951 – Oct. 7, 2018*



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# Introduction

Much has changed in the steel industry during the course of the past few years.

The market for the products we supply has improved dramatically from the historic lows we experienced during our last negotiations with ArcelorMittal USA.

In fact, for the first time in more than a decade, our union entered contract negotiations with the major integrated steel producers at a time of prosperity and with forecasts that the market would remain strong for the foreseeable future.

ArcelorMittal had already generated hundreds of millions of dollars in profits during the first six months of 2018, thanks to the hard work of USW members to make our facilities more efficient and productive than ever before and the leadership of our union to curb unfair and often illegal foreign trade, leveling the playing field for American workers and industries to compete in the increasingly global economy.

In a stable market with labor agreements in place that enabled the company to survive the harshest economic conditions our industry has withstood in years and without sacrificing the security of our jobs, earnings, benefits or retirements and with the company generating an enormous amount of cash, we approached this round of negotiations seeking fair contracts that allowed USW members to share in ArcelorMittal's success, fully aware of the important role of our union, its members, retirees and their families played in keeping our facilities viable and the company afloat.

In contrast, at the bargaining table, no matter how much the industry and economic landscape changed over the last three years, management's appetite for economic and non-economic concessions from its union-represented hourly workforce remained unsatisfied.

At our first face-to-face meeting with ArcelorMittal management, the company sought concessions even more divisive and profound than anything it proposed in 2015, when steel prices were so low that some analysts speculated that the industry would never fully recover. They proposed:

- No wage increases;
- Forcing active employees to choose between a comparatively inferior Preferred Provider Organization (PPO) health insurance plan with premiums of \$198 per month for family coverage or enrolling in a Consumer Driven Health Care Plan (CDHP) with \$8,000 per year in out-of-pocket costs;
- Forcing employees hired after September 1, 2018 into the inferior, high-cost CDHP without the option to enroll into the PPO;
- Doubling the premiums current and future retirees would pay for their insurance;
- Eliminating the Pension Enhancement Payment (PEP);
- Restricting eligibility for and reducing the amounts of Sickness and Accident (S&A), Severance, and Supplemental Unemployment (SUB) benefits;
- Ending funding for the Institute for Career Development;
- Significant concessions in incentive pay, vacation scheduling and pay, family and medical leave, contracting out, seniority, scheduling and other areas of our agreements; and
- No commitment to invest capital to ensure the future viability of our facilities.

The company's demands were clearly designed to undermine the progress our union has accomplished through generations of collective bargaining and everything that makes our jobs worth fighting for.

When it came to the items that we brought to the table, including local issues and non-economic considerations that had no negative financial impact on the company, management ignored our concerns.

After months of trying to engage management in meaningful, productive discussions that would impact the future of the company and with almost 15,000 USW members' jobs at stake, our committee had no choice but to seek authorization from the membership to implement a strike if necessary.

In votes conducted across the country on Monday, Sept. 17, 2018, in an unprecedented show of unity, all 13 local unions at the ArcelorMittal facilities represented in these negotiations responded by unanimously granting that authorization without any dissenting votes.

Our locally organized mobilizations that included rallies, informational pickets and community outreach clearly made an impression on management, and as bargaining continued, the company's divisive, concessionary demands began to fall off the table.

Now that we have reached a tentative agreement, we are proud to report that the solidarity of the membership, its unwavering support for our committee and patience has been rewarded with fair and equitable four-year contracts that include:

- A lump sum payment of \$4,000 after ratification;
- Annual general wage increases of 4 percent, 3 ½ percent, 3 ½ percent and 3 percent respectively;
- No healthcare premiums for active employees or premium increases for retirees;
- No increases to deductibles, co-pays or out-of-pocket maximums for active employees or retirees;
- Improvements for workers in the defined benefit pension plan and corresponding increases in hourly contributions for those enrolled in the Steelworkers Pension Trust (SPT) and the Weirton 401(k); and
- A commitment to invest a minimum of \$3.1 billion in the future of our facilities over the life of the agreements.

Our USW negotiating committee successfully defended all of the rights and protections that management sought to reduce, restrict or eliminate while making improvements, filling gaps and fixing the parts of our contracts that were identified as priorities by the membership at meetings while we were preparing to bargain.

We owe thanks to the Contract Action Team coordinators, volunteers and staff who kept everyone informed, organized, mobilized and energized throughout this process. It would have been impossible to accomplish everything we have in these negotiations without the hard work and support of all of them.

Most importantly, our committee would like to extend its gratitude once again to all of you who have worked together and joined together to fight together and win together.

It took nearly four months and many hours of hard work at the table for us to negotiate these proposed agreements with ArcelorMittal. But, we never lost faith that we would achieve our goals, and now that we have, our negotiating committee is proud to submit the product of our labor and yours for consideration with the strong recommendation that it be ratified.

We urge you to review this summary of changes to our contracts carefully and encourage you to ask questions at the explanation meetings that will be scheduled for each local union. **Any specific terms of our previous agreements that are not mentioned in this summary should be considered unchanged.**

In solidarity,

**Leo W. Gerard**

*USW International President*  
Basic Steel Industry Conference Chairman

**David McCall**

*USW District 1 Director*  
Bargaining Committee Chairman

**Billy Thompson**

*USW District 8 Director*

**Dan Boone**

*USW Local 979*  
Cleveland

**Rich Sayers**

*USW Local 1375-07*  
Warren Coke

**Harold Anderson**

*USW Local 6115*  
Minorca Mine

**Al Caldwell**

*USW Local 2342-01*  
Columbus Processing

**Tony Montana**

*Technician*  
USW Int'l Headquarters

**Steve Wagner**

*USW Local 1010*  
Ind. Harbor East & Riverdale

**Ray Napoli**

*USW Local 1688*  
Steeltown

**Pete Trinidad**

*USW Local 6787*  
Burns Harbor

**Todd Kegley**

*USW Local 9231*  
I/N Tek and I/N Kote

**Rachael Davis**

*Technician*  
USW Int'l Headquarters

**Jaime Quiroz**

*USW Local 1011*  
Indiana Harbor West

**Chad Apaliski**

*Senior Technician*  
USW Int'l Headquarters

**Tom Conway**

*USW International Vice-President*  
Basic Steel Industry Conference Secretary

**Mike Millsap**

*USW District 7 Director*  
Bargaining Committee Secretary

**Emil Ramirez**

*USW District 11 Director*

**Fred Grumbine**

*USW Local 1165*  
Coatesville

**Mark Glyptis**

*USW Local 2911*  
Weirton

**Kameen Thompson**

*USW Local 9462*  
Conshohocken

**Fred Silvia**

*USW Local 9309*  
Columbus Coatings

**Nancy Parker**

*Assistant General Counsel*  
USW Int'l Headquarters



## Summary

### Term:

Contingent on ratification by the USW membership, the proposed agreements will take effect retroactively to Sept. 1, 2018, and expire at 11:59 p.m. on Sept. 1, 2022, a term of four years.

### Lump Sum Payment:

Within 30 days after ratification, each non-probationary employee actively working on Sept. 1, 2018, will receive a lump-sum payment of \$4,000.

Anyone who has been off work receiving Sickness and Accident or Workers Compensation payments for less than two years as of Sept. 1, 2018, will receive their payment when and if they return to work before Sept. 1, 2019.

Probationary employees will receive the payment upon completion of their probationary period.

### Wages:

The tentative agreements provide general wage increases according to the following schedule. The 4% general wage increase for 2018 will be made retroactive to Sept. 2, 2018, after ratification.

Labor Grade	Current Hourly Rate	Sept. 2, 2018 (+ 4%)	Sept. 1, 2019 (+ 3 ½%)	Aug. 30, 2020 (+ 3 ½%)	Sept. 5, 2021 (+ 3%)
1	\$20.45	\$21.27	\$22.01	\$22.78	\$23.47
2	\$22.39	\$23.29	\$24.10	\$24.94	\$25.69
3	\$24.62	\$25.60	\$26.50	\$27.43	\$28.25
4	\$25.91	\$26.95	\$27.89	\$28.87	\$29.73
5	\$27.52	\$28.62	\$29.62	\$30.66	\$31.58

### Starter Rate

Probationary Employees, excluding Maintenance Technicians and Maintenance Technician Trainees hired on or after Jan. 1, 2019, will receive a training rate of 80% of the Base Rate of Pay for their labor grade.

After completing their probationary period, those employees will immediately advance to the full Regular Rate of Pay.

### Hot-Roll Steel Bonus:

Although we fought long and hard to retain the bonus based on the price of hot-rolled steel that we developed in 2015 as a mechanism to supplement earnings in lieu of wage increases, ultimately, our committee determined that securing the permanent, fixed wage increases provided in our tentative agreement outweighed the potential benefit of retaining the variable quarterly payment. The bonus will continue to be paid until ratification is completed.



**Vacation:**

Employees will accrue vacation based on their years of continuous service according to the following schedule, reflecting an extra week for workers with two years of service (effective in 2020), who would have been eligible for only one week under our previous agreement.

<b>Years of Continuous Service</b>	<b>Weeks of Vacation</b>
1 but less than 2	1
2* but less than 8	2
8 but less than 15	3
15 but less than 24	4
24 or more	5
* effective vacation year 2020	

**Pensions:***Defined Benefit Pensions*

Effective Jan. 1, 2019, the proposed agreement increases the multiplier to \$75 for years of continuous service accrued prior to Jan. 1, 2009, for years of service in excess of 20 but less than 30 years. Also effective Jan. 1, 2019, the going forward multiplier will increase to \$115 per year of service.

**Bridging Service** – Active participants in the defined benefit plan who sustained a break in service due to a layoff that ended on or before Aug. 1, 1999, and were recalled/rehired before Sept. 1, 2008, will be credited with all lost continuous service for pension purposes.

**Surviving Spouse** – For defined benefit plan participants who retire after Jan. 1, 2019, the 50% auto for surviving spouses will increase to a 75% auto.

*Steelworkers Pension Trust/Weirton 401(k)*

Effective Dec. 1, 2018, the company's contributions to the Steelworkers Pension Trust and the Weirton 401(k) shall be increased by \$0.70 to \$3.50 per contributory hour, including an appropriate adjustment for railroad employees.

*Pension Enhancement Payment (PEP)*

We have retained the \$10,000 Pension Enhancement Payment (PEP) for Steelworkers age 56 or above as of Sept. 1, 2018, at former ISG locations (including Weirton) who retire after turning 60 during the term of the proposed agreement.

**Sickness and Accident:**

Total Disability for purposes of qualifying for Sickness and Accident benefits can now be certified by a Nurse Practitioner or Physician's Assistant.

More and more, patients are not seen by a physician but by one of these other professionals; this will make it easier for our members to access care after an injury or illness and obtain certification for benefits.

The company will not offset Sickness and Accident benefits for weeks 15-26 for Social Security Disability or Railroad Disability benefits.

Some members' benefits were being reduced because they had not applied for federal disability benefits, whether or not they were entitled to such benefits.

This issue was very important to our injured brothers and sisters.

The committee did agree to some limits on Sickness and Accident benefits that line up with the industry standard.

Employees with less than six months of service will not be eligible for any Sickness and Accident benefits, until they have worked for six months.

Employees with 20 years of service or more are still entitled to a total of 104 weeks of Sickness and Accident benefits, but only if, after the 52<sup>nd</sup> week on S&A, an authorized provider certifies that they are expected to return to work within one year of the 52<sup>nd</sup> week of benefits.

Even if you are collecting SSDI, if your medical provider certifies that you can be expected to return to work within one year, you will be entitled to the second 52 weeks.

### **Active Insurance Benefits**

#### *Active Medical*

When bargaining started, the company proposed \$198 monthly family health insurance premiums and large increases to out-of-pocket costs for a PPO plan with generally reduced coverage.

These additional costs for an inferior insurance plan were unacceptable to the committee.

The company also proposed two-tier healthcare, forcing new hires into a High Deductible Plan with a \$3,000 family deductible.

The bargaining committee fought hard, and the company withdrew its proposals to gut our PPO plan. The proposed agreement maintains the current PPO plan with no employee premiums.

In addition, coverage for the diagnosis and treatment of Autism Spectrum Disorder is expanded.



The Health Awareness Initiative has been maintained. In January of each year, the company will deposit \$400 (or \$200 for single coverage) into an HRA account if you complete your Wellness Examination by September 30<sup>th</sup> of the previous year and your medical provider fills out the appropriate form.

For 2019, the Wellness Examination must have been completed by Sept. 30, 2018, and the form must be submitted by Feb. 1, 2019.

For years 2020 and beyond, forms must be submitted by November 15<sup>th</sup> of the previous year to be eligible for the HRA contribution. This contribution is “use it or lose it” and does not roll over to the next plan year.

This money can be used for any qualified health care costs including deductibles, copays and coinsurance for medical, prescription drug, dental or vision expenses.

In addition, those who complete the Wellness Examination also will receive a “Wellness Contribution” into their HRA of \$400 (\$200 single coverage). This replaces the contribution that went into a participating person’s 401(k) account during the 2015 BLA. This contribution will be used last and rolls over from year-to-year if unused.

#### *Active Prescription Drug*

During negotiations, the company proposed increased copayments for prescription drugs and a more limited formulary. In the proposed agreements, the committee has maintained the existing drug copayments for drugs purchased at retail of \$10 for generics, \$20 for formulary brand and \$30 for non-formulary brand.

Mail order copayments are also unchanged.

New coverage has been added. There will be no quantity limits on Proton Pump Inhibitors (Nexium), and brand name thyroid medications such as Synthroid will be covered at the generic copay.

#### *Consumer Driven Healthcare Plan*

Our negotiating committee fought relentlessly to preserve affordable access to high-quality healthcare coverage.

As described in the section that discusses our PPO plan above, we were successful.

However, the company insisted on being able to offer an **optional** High Deductible Healthcare Plan to members.

#### **MAKE NO MISTAKE: THE PPO MEDICAL PLAN OFFERS THE BEST COVERAGE AND NO PREMIUM.**

The default health care coverage will remain the PPO Medical Plan for employees and their dependents, including new hires.

The union agreed that the company can offer its High Deductible Plan, but frankly, we recommend that everyone stays in the PPO Medical Plan. Due to the timing of negotiations, the High Deductible Plan may not be fully implemented as an option for all members until Plan Year 2020.

Work in a steel mill, coke plant or iron ore mine is difficult and often dangerous. It takes a toll on your health. Even if you are young and healthy, the USW recommends that you stay in the PPO Medical Plan. Things change. Accidents happen.

The current PPO Medical Plan offers the greatest amount of protection against unexpected and catastrophic medical expenses for you and your family.

#### **DON'T BE FOOLED: THE NEW HIGH DEDUCTIBLE HEALTH CARE PLAN IS A BAD OPTION.**

While the choice is ultimately yours, the union strongly recommends that current and future employees remain in the PPO plan and stay out of the company's "High Deductible" or "Consumer Driven" plan.

If you enroll in the High Deductible plan, you will not be able re-enroll in the PPO until the open enrollment process the following year.

The High Deductible Healthcare Plan requires participants to pay 20% of the cost of covered services (after meeting their deductible), whereas the PPO Medical Plan requires only 10% or a flat dollar copayment for many services.

Due to these expenses, a participant will have higher out-of-pocket costs for all covered services.

This is especially true for prescription drugs; the High Deductible Plan requires the member to pay 20% of the cost of Non-Preventive covered drugs, whether they are Generic, Brand name or even Specialty.

The company's HRA contribution might make the High Deductible Healthcare Plan appear tempting, but the HRA balance is only available if you remain in the High Deductible Healthcare Plan.

It is not cash and does not generate investment earnings.

You lose it if you quit, or are discharged or later re-enroll in the PPO Medical plan.

Given the limited benefit of the High Deductible Healthcare Plan, it doesn't make sense for anyone.

We agreed to allow the company to offer it only because management insisted. In no way, shape or form does the USW endorse or encourage anyone to participate in it.

### Comparison of PPO Medical and High Deductible Plans

	Current and Proposed PPO Plan		Optional High Deductible Plan	
	In Network	Out of Network	In Network	Out of Network
Employee Premium	\$0		\$0	
Deductible				
Single Employee:	\$200	\$500	\$1,600	\$3,200
Family:	\$400	\$1,000	\$3,200	\$6,400
Plan pays	90%	70%	80%	60%
Employee pays	10%	30%	20%	40%
Out-of-Pocket Maximum				
Single Employee:	\$1,500	\$2,000	\$3,000	\$6,000
Family:	\$3,000	\$4,000	\$6,000	\$12,000
Prescription Drug	\$10/\$20/\$30		20%	
HRA contribution	\$0		\$1,500/\$2,500	
HAI and Wellness Contribution	\$400/\$800		\$0	

**Active Dental**

Under the Proposed Agreement, the annual Benefit Maximum for the dental plan is **increased to \$2,250 for services at Network providers and \$1,750 for services at Non-Network providers.**

**Retiree Health Care:**

For those employees hired after the ratification of the 2015 BLA, the contribution the company pays into the Retiree Healthcare Account is **increased to 60 cents per hour.**

Since these members will not participate in the Retiree Healthcare Plan, this money is for them to purchase Retiree Healthcare upon retirement.

For those employees hired prior to the ratification of the 2015 BLA and eligible for Retiree Healthcare:

*Pre-Medicare*

The non-Medicare eligible health insurance plan is unchanged, and monthly premiums will remain the same as well.

*Medicare Eligible*

The Medicare Advantage Plan with Drug coverage is unchanged and monthly premiums will remain the same as well. The committee also agreed to a voluntary program under which retirees can get \$8 generic drugs if they go to a Preferred Pharmacy. If they choose to go to a Non-Preferred Pharmacy they will pay the current \$10 copayment.

**Benefit Trust:**

The VEBA Benefits for Legacy Retirees have been maintained, and Medicare eligible Retirees will again have the choice of electing a \$1,000 Part B reimbursement or enrolling on one of the Medicare Advantage with Drug plans.

For 2019, premiums will remain unchanged.

If plan costs change in 2020, premiums or plan design may change. For Non-Medicare eligible Legacy Retirees, the premium remains the same.





For those Defined Benefit Pension Surviving Spouses who are eligible, they will continue to be eligible for \$1,000 annual payment.

**Investment Commitment:**

The company cannot remain profitable, sustainable or viable over the long term without investing in our plants.

For our members, this is an issue that impacts the security of all of our jobs and important to keep the proud tradition of making steel alive in our communities for future generations.

ArcelorMittal has agreed to make capital investments and repair and maintenance expenditures at the facilities covered by the agreement of no less than \$3.1 billion over the term of the agreement in order to keep our plants among the most productive and efficient in the world.

## Contract Language

**Hiring Preference:**

We have added the nieces and nephews of ArcelorMittal employees' and retirees' spouses to the hiring preference section that already includes children, children-in-law, step-children, spouses, siblings, grandchildren and nieces and nephews.

**Board of Arbitrators:**

In an effort to ensure our contracts are enforced fairly and our disputes with management resolved in a timely fashion, we have added a seventh arbitrator to the pool which previously had only six.

**Layoff Minimization:**

The proposed agreement allows local unions to suggest layoff minimization plans that create an opportunity for senior employees to bump junior employees on jobs within a pool of sufficient Labor Grade 1 positions to provide protection from long-term layoff for the senior employees.

**Leave for Immigration and Court Proceedings:**

When an employee is wrongly detained by a United States immigration agency such shall be considered an excused absence, provided the employee provides documentation to substantiate the improper detention, complies with local report-off requirements, and returns to work no later than ten days following the date of the release from such detention.

**Railroads – Permanent Vacancies and Transfer Rights:**

In order to accommodate sufficient time for training, railroad employees will need at least 24 months of plant service before being eligible to bid on a job or transfer to a department outside of the railroads, an increase of 12 months from our previous agreement.

## Notes







**UNITED STEELWORKERS  
60 BLVD. OF THE ALLIES  
PITTSBURGH, PA 15222**