

WHAT COULD HAPPEN ON SEPT. 1?

STEEL
STRONG
2018

UNITED STEELWORKERS
USW
NEGOTIATIONS

Important information on possibilities at contract expiration, benefit issues, and strike/lockout assistance

The current collective bargaining agreements between U.S. Steel and the USW expire on September 1, 2018. The union is committed to reaching a fair agreement without a strike if possible.

The last three years were difficult for the company and our members. The union and company reached an agreement in December 2015 after months of negotiations, and while the settlement held firm against concessions, it contained no wage increases. Meanwhile, imports reached 35% of domestic consumption, drilling activity fell to 10-year low, the company shutdown the Fairfield blast furnace and idled Granite City, East Chicago Tin, Lone Star, Fairfield Tubular, Keetac and portions of Minntac for periods and laid off upwards of 2,000 steelworkers. The company reported net losses of \$1.7 billion over 2015-2017.

Over the last year, market conditions have begun to improve. The economy has continued to grow. The President imposed Section 232 tariffs on imported steel. Hot-rolled sheet prices have reached 10-year highs. Drilling activity has rebounded and OCTG prices and shipments have picked up. U.S. Steel is forecast to make substantial profits over the next several years. It has increased its investment in our plants.

Despite these improvements, U.S. Steel has demanded concessions throughout the Labor and Benefits

Agreements. Under these circumstances, a strike or lockout is a very real possibility. Once again, we must be prepared.

Because there has not been a labor dispute at U.S. Steel in many years, you may be unfamiliar with what happens during a strike or lockout. Stay informed by attending your local union meetings, watching for updates from your local union Communication and Action Team (CAT), watching for text message updates and monitoring the Solidarity in Steel website www.usw.org/steel.

STRIKES, LOCKOUTS AND WORKING WITHOUT A CONTRACT

What might happen on September 1 if we have not agreed to a new contract?

There are a number of possible outcomes:

- 1) We could agree to extend the contract while we continue to bargain (the company must also agree to this),
- 2) We could vote to go on strike,
- 3) We could continue to work without a contract, and the company must honor all the terms of the contract except arbitration unless the parties have already negotiated to impasse, or

4) The company could choose to lock us out. Each of these situations would mean different things for USW members.

Your bargaining committee will not do anything to jeopardize members' jobs, and we will do everything we can to avoid a work stoppage. Still, often the best way to avoid a strike is to be prepared for one. That's why we want every USW member at every U.S. Steel site to be ready for the worst case scenario even as your bargaining committee continues working diligently each day toward reaching a fair agreement.

If we work without a contract, can the company change our pay, our benefits, or our rights on the job?

By law, when a contract ends the company cannot make any unilateral changes to terms and conditions of employment without negotiating those changes with the union. The "terms and conditions of employment" are the terms of the old contract and the parties' past practices. The exceptions to this rule are the no-strike/no-lockout and arbitration provisions of the contract, which only apply where there is an agreement.

The company can only make a change if the union agrees or where the negotiations have reached an "impasse." An impasse occurs when, after exhaustive good faith negotiations by both sides, neither party is willing to change its negotiating position.

Where the company and the union do not agree on whether an impasse exists, the question is often resolved by the National Labor Relations Board (NLRB). If the company's claim of impasse is rejected by the NLRB, then the company will be required to return to the old terms and conditions of employment and provide back pay for any losses employees suffered because of the illegally implemented unilateral changes.

Can I be fired for participating in a strike?

Your right to strike is protected by law, so it would be illegal for U.S. Steel to fire you for simply participating in a strike. You can, however be disciplined or discharged for engaging in misconduct on a picket line including violence, threats of violence, or property destruction. Misconduct on the picket line can also lead to an injunction against the union limiting our right to picket.

There are two types of strikes under the law. If one of the causes of a strike is an unfair labor practice, it is an "unfair labor practice strike", and the company can only hire temporary replacements, who must be discharged at the end of the strike to permit the return of strikers - and the same is true for a lockout. Unless one of the causes of the strike is an unfair labor practice, it is an "economic strike", and the company can hire permanent replacements, who do not have to be discharged at the end of the strike. However, a company and union can legally agree to their discharge as part of a strike settlement.

Can the company fire probationary employees for honoring the picket line?

The law does not recognize any difference between employees - you are either an employee or you are not. Probationary employees are only probationary under the contract, and have the same legal rights as every other employee. The union will not do anything to jeopardize anyone's job.

HEALTH INSURANCE AND RETIREMENT DURING A STRIKE OR LOCKOUT

Will my health care coverage continue during a strike or Lockout?

In the event of a strike, the Insurance Agreement requires the company to continue insurance coverage for 30 days from the beginning of the strike. During this period, the company and union will discuss further continuation of coverage and repayment for the coverage advanced.

In the event of a lockout, it is the union's position is that the company must continue insurance coverage until February 1, 2019. U.S. Steel may disagree with this position and the issue would have to be resolved by negotiations, arbitration or in court.

If the Program of Insurance Benefits (PIB) coverage is terminated, there are at least 2 options for employees to obtain insurance coverage during a strike: COBRA continuation coverage and the USW Emergency Medical Program. Additional information on both programs will be provided in the event of a labor dispute.

If I am an active employee in midst of a course of medical treatment, will my health care coverage continue during a strike?

No. If you are an active employee (not receiving S&A, workers' compensation or on a leave of absence), health care coverage ends for you and your dependents following 30 days from the beginning of a strike, even if you or your dependents are in the midst of a course of medical treatment. However, you and/or your dependents will be eligible to elect COBRA continuation coverage as outlined in the PIB. It is important that all members and dependents who have ongoing medical needs have uninterrupted coverage, and detailed information regarding this will be available in the event of a labor dispute.

If I am receiving S&A or Workers' Compensation benefits, will my health care coverage continue during a strike?

Yes. By law, employees receiving S&A, workers' compensation or on FMLA leave should be unaffected. Employees who are on S&A benefits prior to the strike would continue to receive weekly S&A benefits and their health care benefits would continue until they recover or exhaust their benefits. Health care coverage will continue for employees on FMLA leave for the duration of their leave. Report any problems receiving your S&A or workers' compensation to your Local Union as soon as possible.

If there is a labor dispute, will employees on layoff continue to receive SUB and health care benefits?

In the event of a strike, as applicable, health care and weekly Supplemental Unemployment Benefits (SUB) will arguably continue for employees on layoff prior to the strike. However, if the company recalls employees from layoff to work during the strike and they honor the picket line and refuse to work, they would become strikers and may be determined to be ineligible for continued SUB benefits and health care coverage.

If there is a strike or lockout, can I still retire?

Yes. If you retire after September 1, 2018, you will be entitled to the pension benefit that you have earned up to your retirement date. By law, the company cannot reduce the pension benefits that employees have already earned. During the 1986-87 lockout, the company continued to accept and process retirement applications throughout the labor dispute.

However, if you retire before the effective date of a new labor agreement, you may not be eligible for pension improvements in the new agreement (if any). Your retirement decision is a personal one that should be made based on what is best for you and your family.

Your decision to retire should be made after careful consideration – not out of unfounded anxiety.

If I retire now, can I avoid any increase in the retiree contributions or changes in retiree-health care benefits?

No. Any changes in retiree health care benefits (such as changes to benefits or premiums) will likely apply to all current and future retirees. However, such changes can only be made if agreed to by both the union and U.S. Steel.

The company has proposed to increase premiums and cut retiree health care benefits for current and future retirees. The union remains committed to protect retiree health care benefits; however, we cannot guarantee the ultimate outcome of these negotiations.

An employee who submits their retirement application for retirement effective August 31, 2018, will likely be subject to the same changes in retiree health care benefits as employees who retire at a later date. In addition, the company may not allow an employee who submits their application for a pension with a specific retirement date to withdraw his/her pension application and remain at work. So an employee should not submit an application for retirement unless they fully intend to do so.

If there is a labor dispute, will I get pension credit for the period of the strike or lock out?

It is the union's position that pension service under U.S. Steel and Carnegie Pension Fund continues during any labor dispute. Under that Plan, pension service ends when the employee severs service. Since a strike (or lockout) does not sever a person's service, individuals on strike should continue to earn pension service for the duration of the strike. Of course, it is possible that U.S. Steel may disagree with this position and that the matter would have to be resolved by negotiations, arbitration or in court.

During the 1986-87 lockout, U.S. Steel recognized pension service during the labor dispute and the company and union later agreed to exclude the months of the labor dispute from the pension earnings calculation.

The Labor Agreement requires the company to make contributions to the Steelworkers Pension Trust for hours worked by covered employees, and for periods of absence due to S&A, workers compensation and lay-off. This does not include contributions during a labor dispute. In the event of a strike or lockout, the issue of company contributions for the period of the labor dispute will be addressed in the discussions between the company and union over the terms of the Strike Settlement.

THE STRIKE AND DEFENSE FUND

For more than 40 years, the Steelworkers International Strike and Defense Fund has provided support for USW members during strikes and lockouts. The money is distributed on the basis of each member's individual need. If necessary, each local would establish a committee to assess members' needs and distribute money. The key to winning a strike or lockout is maintaining the solidarity of everyone, and all members working together to support each other.

How does our union's Strike and Defense Fund work?

The Steelworkers International Strike and Defense Fund provides money to help union members during strikes and lockouts. The Fund pays to your Local Union \$225 per week per member, beginning with the fourth week of a strike or lockout.

How is money from the Strike and Defense Fund distributed?

The money is distributed on the basis of individual need. Each Local Union establishes a committee to assess needs and distribute the money. The committees receive training from the International, and the assistance of International Auditors to account for the funds.

Why is assistance distributed based on need?

The key to winning a strike or lockout is maintaining the solidarity of everyone. Different people have different economic circumstances, and the idea is that we all work together to support each other. For more than 40 years Steelworkers have maintained our Strike and Defense Fund on this basis, and have successfully brought everyone through major fights – some lasting for long periods of time.

Can I go to work for another company during a strike or lockout?

Absolutely! Finding temporary work is a great way to minimize the financial hardship of a work stoppage. If you're working somewhere else and not requesting strike assistance, that means there is more money available for union members who have not found other work. Finding other work also sends a strong message to the company, letting them know that we're determined to continue the fight as long as it takes to win a fair contract.

STAY STRONG! TOGETHER WE CAN WIN A FAIR CONTRACT

This is certainly a challenging time for all of us and our families. The uncertainty of the bargaining process, particularly in the face of such outrageous proposals from U.S. Steel can be incredibly stressful, but our union has faced serious fights many, many times over the past 80 years. By working together, supporting each other and remaining disciplined, we have come through and won fair contracts. Stay strong, stay safe, and let's continue the fight for a fair contract for all USW members at U.S. Steel.