

National Oil Bargaining Program 2007

Section 2
Oil Bargaining
Settlement Highlights

UNITED STEELWORKERS



UNITY AND STRENGTH FOR WORKERS

2005 Extension

Health Care Strategic Committee

Established a joint Union-Industry Health Care Strategic Committee. The purpose of the Committee is to address: "The unprecedented upward spiral of healthcare costs has created an undue burden on employees and employers alike. It shall be the direction and goal of the Committee to examine, explore and seek means, both internal and external, to address this rapid rise in health care costs. Further, the Committee will endeavor to influence the national debate around health care issues through positive participation in public and governmental forums."

2002 Bargaining

Medical Plan Contributions

The Company renews and extends its current commitments that the Company's contributions toward premiums for the Medical Plan and approved alternate company sponsored medical plans for active employees will be based on an employer contribution rate of 80% of the premium and an employee contribution rate of 20% of the premium.

Shift Bonus

Effective February 1, 2002, the shift bonus now specified in the current contract to be \$0.50 per hour for hours worked between 3:00pm and 11:00pm, and \$1.00 per hour for hours worked between 11:00pm and 7:00am will be increased to \$0.75 per hour and \$1.50 per hour, respectively. Other agreements between the parties, if any, that deal with the subject of shift bonus will be revised accordingly.

Occupational Death Benefit

Effective February 1, 2002 the existing occupational death benefit of \$250,000 that is paid for workrelated accidental death which occurs as a direct result of an accident while at work will be increased to \$500,000.

Job Security

The Company and Union agree for the duration of the Agreement with PACE, no employee represented by the Union will be subject to involuntary layoff, except for decreases in the level of operation caused by a sale of operating units, complete or partial plant closure, a merger or joint venture resulting in a change of managerial control, or an act of God.

Successor Letter of Understanding (Clarification Language)

This Successor Letter of Understanding would be applicable to the sale of a refinery where the seller retained (1) terminal operations such as tank farms or loading racks and wharf facilities, (2) lubricants base oil manufacturing or packaging and blending operations, (3) co-generation plants, (4) waste-water treatment facilities, (5) coke handling facilities, or other stand-alone assets of a similar nature and scope. However, this understanding does not create a separate successorship obligation with respect to facilities retained or sold separately to another entity, or the sale of such auxiliary facilities where there is no sale of a refinery.

1997 Extension

Successorship

The parties agree that in the event the Company enters into an agreement to sell (specific plant) covered by the Collective Bargaining Agreement in its entirety to a third party or enters into a joint venture or merger agreement covering (specific facility) in its entirety, the Company will include in any sale, merger or joint venture agreement the requirement that the successor company shall recognize the Union as the exclusive representative of the bargaining unit and shall adopt the Collective Bargaining Agreement and all existing Memoranda of Agreement. Such Collective Bargaining Agreement shall remain in full force and effect for its duration, except for mutually agreed to changes, and continued employment with the successor company shall not require any form of a severance payment from the Company.

Except that such successor company shall not be required to continue the existing employee benefits, but shall be entitled to establish a package of benefits for employees covered by the Collective Bargaining Agreement that are reasonably comparable in the aggregate. If requested by the Union, the company shall negotiate with the Union in good faith regarding those benefits. Should an agreement not be reached, the successor company may proceed with implementation of the proposed Benefits Plans and the Union will not have the right to strike.

However, if the parties are unable to reach an agreement on Benefits Plans, the successor company will have the option to waive the foregoing "reasonably comparable Benefits Plans in the aggregate" commitment and provide the Union with the option to strike the successor employer on Benefits Plans only by giving the successor company 45 days notice within 15 days after the Union has been informed by the successor company that it is waiving the commitment for "reasonably comparable Benefits Plans in the aggregate."

1996 Bargaining

Minimum Pension Benefit

On the question of pensions, the National Oil Bargaining Policy Committee has concluded that the minimum pension benefit appropriate as a standard in the industry is equivalent to \$40 times years of service. Amoco's pension formula exceeds this standard as does ARCO, Chevron, Conoco, Mobil, Shell and Unocal. Where your pension benefit falls below this minimum, the President is authorized to take whatever action deemed appropriate, including calling for strikes under terms of the National Oil Bargaining Program on the issue of pension improvements.

** Note: Minimum Pension Benefit established in 1975 Oil Conference*

No Retrogression Agreement

The company agrees to renew the letter of agreement on layoffs, plant closures, rate retention, national health insurance, and health and safety clauses, where such letters of agreement exist. Letters of agreement will not be incorporated into the basic working agreement.

Memorandum of Understanding on Layoffs

The company and union recognize that continued employment opportunities for refinery bargaining unit personnel is directly linked to the plant's efficient, competitive and profitable operations. In the event, however, the company considers that it is necessary to layoff employees, it will provide the union with 90 days written notice. At the written request of the union, the parties shall meet during such 90-day period for the following purposes:

- + The Company will inform the Union of the business reason(s) for any planned changes resulting in layoffs within the bargaining unit.
- + The Union will submit recommendations for minimizing or eliminating the need for the layoff, and the company will consider adopting such recommendations, and respond to the union appropriately within 14 days.
- + If the layoff is deemed by the company to be unavoidable, the company will initiate a meeting(s) with the union during the 90-day period, to discuss the effect of such reduction and will be prepared to negotiate on the following subjects for the affected employees:
 - Specific application of the demotion and layoff procedures.
 - Possibilities of continued employment at other company facilities and/or operations; and if the company determines such opportunities are available, it is understood that moving and relocation expenses appropriate to the circumstances are subject to negotiations.
 - Vocational retraining or outplacement assistance.
 - Benefit plan applications, including plans such as: severance pay, pension benefits, medical and group life insurance.

Should disagreement arise over the intent and purpose of the discussions, the willingness of either party to continue the discussions, or any other provision of this Memorandum of Understanding, the objecting party will provide the other party the opportunity to discuss, at a higher level in the International Union or the company, the prospects of continuing the discussions. If the discussions are terminated by either party at the higher level, the layoff will be implemented.

This Memorandum of Understanding is not intended to reduce or otherwise limit the rights of the parties contained elsewhere in the current collective bargaining agreement. Therefore, the provisions of this Memorandum of Understanding shall not be subject to arbitration. It is further agreed this Memorandum of Understanding will expire on January 31, 1999.

1993 Bargaining

Family Leave

The Company's current Leave of Absence policy is amended to enable employees to take a leave of absence for the following reason: The Company agrees to provide the availability of Family Leave to all employees in the event of a birth or adoption of a child or the serious illness of a child, spouse or parent. The leave will be without pay and will be granted for up to a maximum of twelve weeks in a twelve-month period. An employee may request more than one family leave within a twelve-month period, but the total time on leave within that period may not exceed twelve weeks.

Credited service will accrue during the period covered by the family leave of absence. The leave will be granted with the understanding that the employee will be reinstated to the position held prior to the leave or to a comparable position.

Health and Safety Training

The Company will, at its expense, provide training for the Union-represented Health and Safety Committee members. Such training shall not exceed five days per trainee and shall take place twice during a three-year agreement.

It is understood that this training shall be conducted by qualified individuals, institutions, or organizations recognized in the field.

Letter of Understanding: Full-Time Health and Safety Representative

The parties agree that safety and health in the work place are paramount concerns that deserve the cooperative attention of the management and the Union. The parties agree, therefore, to meet at the refinery or chemical plant within sixty (60) days of a request by either the local union or the management to develop a plan for utilizing the union represented employees from the local bargaining unit toward the objective of improving health and safety in the plant.

Letter of Understanding: Training and Curriculum Development

The parties agree that the training and education of the refinery work force are necessary components to a safe, efficient, and productive facility. In line with this mutual objective, the parties agree to the following:

- + Each party shall select one or two representatives, who are knowledgeable about training in the petrochemical refining industry as determined by the respective party.
- + Those selected representatives shall, upon the request of either party, establish a time and place to meet which shall occur not later than sixty (60) days from the date of the request; and,
- + Those selected representatives shall meet as often as they mutually agree to discuss issues that are relevant to the training of the represented work force, and,
- + The purpose of the meetings will be to provide for the opportunity for the Union and the Company to share views, suggestions, proposals, and information pertaining to the training of the workers represented by the Union and the development of the curriculum for such training.
- + Should disagreement arise over the intent and purpose of the discussions or the willingness of either party to continue the discussions, that one party will provide the other the opportunity to discuss, at a higher level in the International Union or the Company the prospects of continuing the discussions.

1990 Bargaining

Work-Related Accidental Death Benefit

A benefit of \$250,000 will be paid for a work-related accidental death which occurs as a direct result of an accident while at work. This benefit will be paid exclusive of any existing company or statutory benefits.

Occupational Illness and Injury

Benefits paid for absences in connection with a job-related disability are: from the first day of regular full-time employment, the company will provide up to a maximum of 26 weeks at full pay and up to a maximum of 26 weeks at half pay. All other provisions of the company OI&I Plan will remain unchanged.

Transportation and Marketing

Employees who are considered to be Department of Transportation regulated and are subject to federal/state testing requirements for commercial drivers' licenses, will be provided training to the extent necessary, as determined by the Company, to pass the test. Test fees and time off to take the test will be paid by the company, but only for the initial test.

In the event that an employee is unable to pass the required testing and consequently forfeits his/her commercial driver's license, the employee will be placed on leave of absence without pay for up to 30 days in order to provide further opportunity to qualify. Should the employee fail to qualify for a commercial driver's license within the 30 day leave of absence period, the employee may be terminated. The company agrees to offer to an employee who loses his/her commercial driver's license through failure to pass the testing (C.D.L.) requirements, any work that may be available for which the employee is qualified.

1980 Bargaining

National Health Insurance

If National Health Insurance becomes a law, the Company's present and future contributions toward the present plan premiums shall be used towards the cost of the National Health Insurance and that any unused portions of the Company's contributions shall be used for other benefits as determined by the Company and the Union.

Vacation Established as National Policy Item

A sixth week of vacation was agreed upon for employees with 30 or more years of service, effective for the year 1981.

Dental Plan Established as National Policy Item

Agreement was reached by the Union and the Company to establish a dental plan. Gulf agreed to commence the plan by June 15, 1980, and to pay up to \$15.50 per month for family coverage and up to \$4 per month for employees without dependents.

1977 Bargaining

Health and Safety Review Committee

1. That there shall be established a Health and Safety Review Committee consisting of representatives of the Company and the International Union;
2. That within sixty (60) days following the effective date of this AGREEMENT, or as soon thereafter as practicable, the parties hereto shall confer with respect to a mutually agreeable time and location for the initial meeting of said Committee;
3. That said Committee shall meet at mutually agreeable times and locations, and as often as may be necessary, for the purpose of engaging in a comprehensive study of the application and operation of said programs;
4. That said Committee shall review the implementation of Health and Safety contract clauses to ensure that the intent and purposes of such clauses are carried out; and
5. That said Committee shall be provided with full, complete, and detailed information relative to said programs that will enable it to effectively and properly implement the purposes of this AGREEMENT.

II. Training

The Company will, at its expense, provide for the training of the Union members of the Joint Committee, one time during the term of this AGREEMENT, when such training is requested by Union members of the Committee. Such training will be limited to five (5) days per committee member and will be conducted by qualified individuals, institutions and organizations recognized in the field.

III. Investigation of Accidents

In the standard clause describing the structure and functions of the Health and Safety Committee, the following text was added: "Union committeemen shall have the right to investigate accidents under procedures developed by the Joint Committee."

1975 Bargaining

Minimum Pension Benefit

Pension Improvements

1. Final average earnings, upon which pensions are calculated, will be based on the average for the *three* highest consecutive years of earnings within the last 10 years of company service instead of the *five* consecutive best years.
2. Under most pension agreements, workers may retire now at age 60 with no discount of the pension earned, compared to age 62 under previous agreements.
3. Regardless of the regular pension formulas, each worker is guaranteed a pension of \$10 per month times years of credited service.

Holidays Established as National Policy Item

An additional paid holiday was granted, bringing the total to 10 per year in most contracts.

III. Investigation of Accidents

In the standard clause describing the structure and functions of the Health and Safety Committee, the following text was added: "Union committeemen shall have the right to investigate accidents under procedures developed by the Joint Committee."

1972 Bargaining

Health and Safety Policy

1. There shall be established a joint labor-management Health and Safety Committee, consisting of equal Union and Company representatives, but not less than two nor more than four each.
2. The Company will, from time to time, retain at its expense qualified industrial health consultants, subject to the approval of the International Union President or his designee, to undertake industrial health research surveys, as decided upon by the Committee, to determine if any health hazards exist in the work place.
3. Such research surveys will include measurements of the exposures in the work place, the results of which will be submitted in writing to the Company, the International Union President, and the joint Committee by the research consultant, and the results will also relate the findings to existing recognized standards.
4. The Company shall pay for the appropriate physical examination and medical tests at a frequency and extent determined from time to time by the joint Committee.

1967 Bargaining

Rate Retention

An employee who is reduced through no fault of his own from a classification to which he is permanently assigned to a lower classification will continue to receive the rate of the higher classification for a period of eighteen consecutive calendar weeks following the reduction. In addition, an employee with fifteen years or more plant seniority will receive the higher rate for an additional week for each year of plant seniority.

An employee who is reduced from a shift-breaker job will continue to receive an average rate equivalent to the rate he received while assigned to the shift-breaker job for the length of time as described above.

It is understood that these provisions do not apply to the following:

- (a.) An employee whose services are terminated for any reason, including discharge, resignation, layoff, or retirement.
- (b.) An employee whose reduction results from a disqualification.
- (c.) An employee who is displaced from a bid job by an employee who was absent during the time the job was originally posted for bid and who later bid on and was awarded the job as provided in Article VI, Section 2(A).
- (d.) An employee who is displaced by an employee returning from military service under the provisions of Article VI, Section 6(E), of the Articles of Agreement or the provisions of the Chevron Military Leave Plan.

Plant Closure

The Company will notify the Union in writing at least six months in advance of COMPLETE plant closure of the Refinery that will involve a PERMANENT transfer or PERMANENT layoff of bargaining unit employees. The Company and the Union will meet within fifteen days after such written notice for the purpose of discussing the effect of such closure on bargaining unit employees and to negotiate appropriate conditions and benefits for the affected bargaining unit employees. In the event the parties are unable to arrive at a satisfactory agreement, either party shall have the right to serve a 60-day written notice to terminate this Agreement. The Union shall have the right to strike or the Company shall have the right to lock out at the end of the 60-day period unless a mutual agreement has been reached by the parties.