



## **LOCAL UNION 4974 & 4950**

WEB SITES: [WWW.LOCAL4974.ORG](http://WWW.LOCAL4974.ORG) or [WWW.LOCAL4950.ORG](http://WWW.LOCAL4950.ORG)

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## **Membership Update – October 2009**

### **Profit Sharing 1<sup>st</sup> and 2<sup>nd</sup> Quarter 2009**

There was no profit sharing payout for the first or second quarter of 2009. The CCI North American Iron Ore Segment – Earnings before Interest & Tax Pre Ton (EBIT/Ton) was a loss of \$14.93 for the first quarter and a gain of \$5.49 for the second quarter. This is well below the \$10.00 per ton threshold of EBIT/Ton before our profit sharing plan begins to pay.

### **Profit Sharing 3<sup>rd</sup> Quarter 2009**

3<sup>rd</sup> quarter 2009 profit sharing results have not been released as of the writing of this update. We will post the results as soon as we get them. Any Profit Sharing payment for the 3<sup>rd</sup> quarter must be distributed within forty-five (45) days of the end of the 3<sup>rd</sup> calendar quarter (November 14<sup>th</sup>). Keep in mind the Profit Sharing is based on the “Audited Results” which are normally released several days after the “Un-audited Results”.

### **Profit Sharing 4<sup>th</sup> Quarter 2008**

The Union has contested the 4th quarter 2008 profit sharing calculations as provided by the company. The two areas that are of main concern are the Laiwu mark-to-market and the bill-and-hold deduction from Earning before Interest & Taxes (EBIT). We do not believe those are proper deductions to EBIT and should not have been excluded.

The USW International Union has hired an independent accounting firm to review this profit sharing calculation. The accounting firm Schneider-Downs located in Pittsburgh, PA has completed their review and audit of Cliff’s books.

After reviewing the auditors report, the four USW represented Local Unions at the Tilden, Empire, Hib-Tac and U-Tac Mines and USW International Union will jointly determine our best course of action.

### **Range Wide - Hourly Retirements – Current and Past**

Year	Number	
2004	– 187	Hourly Employees
2005	– 72	Hourly Employees
2006	– 60	Hourly Employees
2007	– 33	Hourly Employees
2008	– 11	Hourly Employees
2009	– 77	Hourly Employees – Year to date
2009	– 18	<u>Hourly Employees – Coasting out per Lay-Off agreement</u>
Total	– 458	Hourly retirees over the past six years.

### **Work Force**

- The Tilden and Empire Mine workforce began the 2009 year with a total of 1311 bargaining unit employees. The two WARN Notices issued in late 2008 and early 2009 notified the Union of the 410 employees named for involuntary layoffs.
- In January the two Local Unions and Management reached an agreement that allowed for up to 20 weeks of voluntary layoff and 50 employees elected an enhanced retirement offer.
- In July the two Local Unions and Management reached a second agreement that allowed for up to an additional 18 weeks of voluntary layoff and a coast-out retirement offer.
  - **Voluntary Layoffs**
    - First Layoff Period**  
76 individuals received the first nine week voluntary layoff period of Sunday July 26<sup>th</sup> thru Saturday September 27<sup>th</sup>.
    - Second Layoff Period**  
39 individuals are currently on the second voluntary layoff period of Sunday September 28<sup>th</sup> thru Saturday November 28<sup>th</sup>.
- **Recalls** - Overall thru the combination of the Coast-Out Retirement, Voluntary lay-off, Production needs, and/or Contracting Out agreements all remaining Employees out on involuntary layoff have had an opportunity to accept or decline a temporary recall back to work by the week of Sunday October, 18 2009.
- Our current range wide hourly workforce is now at 1224 bargaining unit employees. At the end of 2009 an additional 259 of our current employees will be eligible to retire with a 30+ year pension.

### **Contracting Out**

Per the latest agreement, there will be contractors working on the following projects during this voluntary layoff time frame.

- Tilden - 17 Conveyor, 32 Conveyor and 33 Conveyor tube reinforcement. Job Status: Ongoing
- Siding work on the west wall of the Tilden Pellet Plant. Job Status: Complete
- Road and Pipe bed excavation work and bridge work for the Tilden tailings line. Job Status: Ongoing
- Tilden primary crusher – replacement of two crane girders. Job Status: Starting week of October 26th
- Cleaning of the Tilden Dump Ponds. Job Status: Complete
- Empire – Repair 34 conveyor pellet load out Conveyor Galley. Job Status: Complete

### **Temporary Employees and Job Postings**

If you are unsure if you should still be classified as a “Temporary Employee” or feel for any reason that you should not be classified as a “Temporary Employee” we recommend the following. If a job posting comes up that you would like to post for, we recommend that you sign for the posting. If management determines you are ineligible to post, we can review their determination. If you do not post for the job, you WILL NOT be considered for such job.

### **Group I Job Postings – Management Notice**

Per the second Voluntary Layoff agreement dated July 10, 2009 between Management and the Union, Employees who were laid off from a Group I Job are considered to be General Laborers and do not have rights to their previous Group I incumbency. Those wishing to regain previous postings must use the posting application process.

All qualified Employees with a seniority date of 2/18/08 or better will be considered and are encouraged to apply.

### **Scrap Program**

The Union submitted a revised Scrap Program proposal to management at the August 13<sup>th</sup> Range-Wide meeting. We are still waiting on a response to our proposal.

### **Shift & Area / Vacation Scheduling**

The Union has reminded management that they have a contractual obligation to complete the annual shift and area move during the month of January. Vacation scheduling is dependant upon completing the annual shift and area

moves for many job classifications. This reiterates the importance of staying on schedule though this entire process.

Both Local Unions firmly do not ever want to see the annual shift and area moves or Employee vacation scheduling delayed as they were in 2009.

### **Health Fair**

The October 19<sup>th</sup> Health Fair at Bell Hospital was well attended and all feedback from those that attended has been extremely positive. There was a very impressive amount of vendor booths/activities/information and more for preventative care and healthy lifestyles.

### **Contract Books** - Update on review statues and printing.

- Basic Labor Agreement (BLA) book – Being Printed
- Pension Agreement Book – Waiting on proof
- Program of Insurance Benefits (PIB) – Printed and Distributed
- Program of Hospital – Medical Benefits (PHMB) Post September 1, 2004 – Waiting on proof
- Program of Hospital – Medical Benefits (PHMB) Pre September 1, 2004 – Waiting on proof
- Supplemental Unemployment Benefits (SUB) book. – Being Printed
- Local Issues Books
  - Tilden – Waiting on proof
  - Empire – Waiting on proof

### **Monthly Union Meeting**

The next regular monthly meetings will be held as listed below.

***Ronn Hall – Negaunee MI.***

***Local 4974 - Monday November 9<sup>th</sup> at 4 pm***

***Local 4950 – Tuesday November 10<sup>th</sup> at 4:30 pm***

***Note: December will be a joint Christmas meeting of both Local Unions.***

***Watch bulletin boards and Web for the date and time.***

Notices, Updates, Agreements and More are also posted on the WEB at [WWW.LOCAL4974.ORG](http://WWW.LOCAL4974.ORG) or [WWW.LOCAL4950.ORG](http://WWW.LOCAL4950.ORG)