

**Memorandum of Understanding**  
**Reduced Operations 2009**  
**Final Proposal**

JD 1-21-09  
JL 1-21-09  
DCD 1/21/09  
JFM 1/21/09

1. Irrevocable Pension Election Option

- Voluntary Layoff to Retirement no later than June 30, 2009.
- Total of 50 elections before they start deducting from the 124.
- Retirement under this program can occur at the end of any month from February through June, 2009.
- Employees electing this option will receive payment for their 2010 Regular Vacation, paid in 2010.
- While on Voluntary Layoff employees will receive State Unemployment Compensation, if eligible, and SUB. If eligibility is exhausted for State Unemployment then SUB only per the SUB Agreement effective September 1, 2008. (\$325 per week.)
- Employees will be provided the opportunity to elect this option from January 23, 2009 through 8:00 AM, January 30, 2009.
- The vacancy created by this option will be permanently filled by returning incumbents in accordance with the Recall from Long Term Decrease provision. If the classification was one where no reductions were made the vacancy will be filled by posting. Should the posting clear the active employees with no successful applicant, the qualifications of laid-off employees will be reviewed before engaging in hiring.

2. Lump Sum Retirement Payment

- Fifty (50) special lump sum retirement payments of \$4000 will be made available to employees who retire by June 30, 2009 and have signed an Irrevocable Pension Option. These will be awarded by Pension Seniority following the polling.
- This payment will be made within two weeks subsequent to the employees retirement date.
- Funding for the lump sum payments will come from the Strategic Alliance accounts at Empire and Tilden. Each fund will pay 50% of the total cost of the lump sum payments as determined by the polling of employees.

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OCD 1/21/09  
JSM 1/21/09

### 3. Voluntary Layoff

- 124 voluntary layoff slots minus excess of 50 from #1 above.
- Voluntary Layoff administered per the Range Wide Short Term Decrease language.
- Voluntary Layoff will be available in two (2) 10-week periods, the first to commence on February 8, 2009 through April 18, 2009 and the second to commence on April 19, 2009 through June 27, 2009.
- Employees will have the opportunity to elect one or both of the ten (10) week periods from January 23, 2009 through 8:00 AM, January 30, 2009.
- While on Voluntary Layoff see bullet point five in #1.
- Vacancies created by employees taking voluntary layoff will be filled on February 8, 2009 and April 19, 2009 by Temporary Recall in accordance with the Temporary Recall from Long Term Decrease provision.

### 4. Normal Retirements

- Employees who do not participate in #1 but who elect to retire at the end of the months January through June, 2009 will receive payment for their 2010 regular weeks of vacation in 2010. Vacancies created by these retirements will be filled in accordance with the last bullet point of #1 in this document.

### 5. Supplemental Steel Crew

- 10 Plant Repairman/Welders will be offered temporary recall to form this crew.
- Laid-off Plant Repairman and Welders will be merged into one seniority list for the purpose of recall to this crew.
- This crew will work a Day/Aft, M-F schedule, 32-hours per week and be in place on February 8, 2009.
- This crew will be in place for the year 2009 dependent on the availability of employees to temporarily recall to this crew.

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- Employees on this crew are eligible for permanent recall, in accordance with the Recall From Long Term Decrease provision, as attrition to the permanent work force occurs. DCW 1/21/09  
HEM 1/21/09

#### 6. Special Crew

- 10 Plant Repairman/Welders will be offered temporary recall to form this crew.
- Recall to this crew per bullet point two in #5 above.
- Same schedule as the Supplemental Steel Crew.
- This crew will be in place through June 27, 2009 dependent on the availability of employees to temporarily recall to this crew.
- Employees on this crew are eligible for permanent recall, in accordance with the Recall From Long Term Decrease provision, as attrition to the permanent work force occurs.


#### 7. Cliffs Bell Clinic

- Laid-off employees whose insurance benefits have terminated will have access to Cliffs Clinic at Bell Hospital and will be billed at a reduced rate.
- This benefit will be available through March 15, 2010.
- Cliffs has a negotiated fee schedule with Bell that should provide a cost savings to the laid-off employees. The amount of savings is a variable dependent on the fee schedules of their regular provider.

The above provisions will be implemented with the following understanding:

- The Tilden Supplemental Agreement agreed to on June 22, 2007 will be null and void effective the date of this agreement.
- Management's commitment is to have the Tilden Plant lunchrooms and restrooms refurbished per the scope of work identified in the June 22, 2007 Supplemental Agreement by December 31, 2009.

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- Snow removal from access roads and parking lots will continue to be performed by contractors for the remainder of the current snow season. If employees are still on involuntary layoff in October of 2009, the company will agree to perform this work with bargaining unit employees until there are no longer employees on involuntary layoff status.
- While there are employees on involuntary layoff the cleaning activity that has been performed under the Non Core Work provision of the BLA, will be performed by bargaining unit employees and two (2) contractors. The "West Wing" administration offices at the Tilden will be cleaned by the contractors. (The West Wing is defined as the area West of the main, north-south, entrance hallway. This includes the two hallways, all offices in both hallways and the salaried dry.) When there are no longer employees on involuntary layoff and other suitable assignments are available to the restricted employees who have been temporarily assigned this work, the work will return to the contractor. Should employees remain on involuntary layoff on January 1, 2010 the contractors will be reduced from two (2) to one (1). If employees will remain on involuntary layoff beyond June 30, 2010, Management and the Union will meet to discuss this one remaining contractor position.
- Plant lunchroom and bathroom cleaning in the Empire Plant will be performed by bargaining unit employees while there are bargaining unit employees on involuntary layoff.

This Final Proposal is available for acceptance by the Union until 3:00 PM on Wednesday, January 21, 2009.