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This Agreement between Lockheed Martin Idaho Technologies Company (LMITCO) (hereinafter called the "Company") and Oil, Chemical, and Atomic Workers International Union and Local No. 2-652 (hereinafter called the "Union"), WITNESSETH:

ARTICLE 1.

RECOGNITION

1.1. Company Recognition of the Union. The Company recognizes the Union as the exclusive collective bargaining agent with respect to wages, hours, and working conditions for the employees in the following described bargaining units at the Department of Energy (DOE) Project near Arco, Idaho: (In case of a discrepancy between any unit definition in this agreement and a definition contained in the pertinent NLRB order, the definition in the NLRB order will be controlling.)

1.1.1. Operations and Maintenance. Operations and Maintenance employees at the IRC and associated buildings in Idaho Falls; internal moves in and between Company controlled facilities in Idaho Falls; Base Freight runs as currently performed by OCAW; and onsite facilities within the responsibility and jurisdiction of the Company (see Section 1.2 Exclusions).

1.1.1.a. All operating and maintenance employees of the employer at its Idaho Chemical Processing Plant, including Analytical Control Laboratory employees at the Chemical Processing Plant, (National Labor Relations Board Order of February 19, 1954, in Case no. 19-RC-1399.)

1.1.1.b. The SWEPP Operators (National Labor Relations Board, Case No. 27-RC-7480, voluntarily recognized on June 20, 1994.)

1.1.1.c. Experimental Machine Shop Employees. All Experimental Machine Shop employees at the Test Reactor Area at the employer's facilities at the Idaho National Engineering and Environmental Laboratory (INEEL) (formerly Idaho National Engineering Laboratory [INEL]) near Arco, Idaho, (National Labor Relations Board, Case No. 19-RC-2551).

1.1.2. Telephone Operators. All Telephone Operators at the employer's INEEL near Arco, Idaho, and the Idaho Falls, Idaho, switchboard operation, including part-time Operators, (National Labor Relations Board, Case No. 19-RC-1911).

1.1.3. Printing and Reproduction Machine Operators. All printing and reproduction machine operators in the Scientific and Technical Information Services (STIS) Department (formerly Technical Publications) at the employer's INEEL near Arco, Idaho, and at the Idaho Falls, Idaho, Printing and Reproduction Shop operations (National Labor Relations Board, Case No. 19-RC-2055).

1.1.3.a. All employees employed by the employer in the STIS Copy Centers at the INEEL Site near Arco, Idaho, and in Idaho Falls, Idaho (NLRB Case No. 19-RC-9216).

1.1.4. Cafeteria Employees. All cafeteria employees employed by the Company at the INEEL Site near Arco, Idaho, including part-time cafeteria employees (National Labor Relations Board, Case No. 19-RC-3620).

1.1.5. Mail Clerk Employees. All Mail Clerks employed by the Company in connection with its operation at the INEEL, Scoville, Idaho, and the Company facilities in Idaho Falls (National Labor Relations Board, Case No. 19-RC-4954).

1.1.6. Photo/Video/Image Processing and Micrographics Employees. All employees in Company Photo/Video/Image Processing and Micrographics Units of the INEEL near Arco, Idaho, and in Idaho Falls, Idaho, (National Labor Relations Board, Case No. 19-RC-7100).

1.1.7. Medical Division Employees. All Nurses, Medical Technologists, X-Ray Technologists, and LPN Examining Technologists employed by the Company, within the INEEL Occupational Medical Program (formerly INEL Health and Occupational Medical) at its facilities located at the Department of Energy, INEEL Site near Arco, Idaho, and in Idaho Falls, Idaho, (National Labor Relations Board, Case No. 19-RC-9592).

1.1.8. Radiation Control Technicians. All Health Physics Technicians employed by the Company at its Idaho Chemical Processing Plant at the INEEL near Idaho Falls, Idaho. (National Labor Relations Board order of February 22, 1974, in Case No. 19-RC-6950.)

1.1.8.a. All Radiation Control Technicians as certified by the National Labor Relations Board, January 23, 1995 Case No. 27-RC-7515.

1.1.9. Decontamination Technicians. All Decontamination Technicians employed by the Company at its Idaho Chemical Processing Plant at the INEEL near Idaho Falls, Idaho. (Case No. 19-RC-7013 voluntarily recognized on March 12, 1974.)

1.1.10. Clothing Issue Technicians. All Clothing Issue Technicians employed by the employer at its Idaho Chemical Processing Plant at the INEEL near Idaho Falls, Idaho. (National Labor Relations Board order of May 27, 1977, in Case No. 19-RC-8374.)

1.1.11. Vehicle Repair. All Vehicle Repair employees classified as Vehicle Repair Specialists and Vehicle Repair Specialist Helpers in the Company Fleet Operations (formerly Fleet Management) area at the INEEL (National Labor Relations Board, Case No. 27-RC-7080).

1.2. Exclusions. The following employees are excluded from the units described in 1.1: Confidential, administrative, professional (excluding those Medical Division employees included within NLRB Case No. 19-RC-9592), office clerical employees, guards, and supervisors, as defined by the Act. It is intended that all those employees and their replacements that were excluded from the units above before the three Agreements (EG&G Master, EG&G Fleet

Mechanics and WINCO CPP) were combined remain excluded and that by combining the three Agreements neither party has agreed to either extend or give up representation beyond those employees and their replacements previously not covered or covered by the three Agreements.

1.3. Part-Time Employees. It is agreed that the Company may employ part-time employees and that they are recognized for the purpose of collective bargaining.

1.3.1. It is understood the definition of part-time is an employee hired by the employer to work less than forty (40) hours per week.

1.3.2. It is agreed that the Company may employ part-time employees for work in connection with and needed to supplement regular, full-time employees during absences and for work load requirements. It is recognized that it is not the Company's intention to replace regular full-time employees/positions with part-time employees. The number of part-time employees will not exceed twenty percent (20%) in the Telephone, Cafeteria, Medical, Mail Room, or Custodian units. In units of less than five (5) employees, the limit shall be one (1) part-time employee. Additionally, the number of part-time employees in each of the other units shall not exceed six (6) employees (one [1] per area). Extensions of this limit will be mutually agreed upon by the Company and the Union.

1.3.3. During their employment, part-time employees shall accumulate unit seniority from the date of employment in their respective classification on a separate seniority list titled part-time seniority. Part-time employees will only have seniority among part-time employees in their respective classification. To fill a full-time bargaining unit position, qualified part-time employees in the classification will be offered the position. Part-time employees progressing to regular, full-time status will accumulate unit seniority on the full-time seniority list in their classification from the first full day of continuous employment as a regular, full-time employee.

1.3.4. In the event of resignation or termination for just cause, part-time employees are covered under all applicable procedures in the Working Agreement and grievance procedures.

1.3.5. In the event of reduction in force, a regular full-time employee may displace a part-time employee in his classification. When a part-time employee is laid off, he will be covered by procedures in the Working Agreement, Article 8.3, Re-employment Following Layoff.

1.3.6. Part-time employees shall be eligible for participation in the security plans and benefits for part-time employees, in accordance with Article 13, Security Plans and Benefits.

1.3.7. Part-time employees shall receive the established base rates of pay for work which they perform. Part-time employees shall be credited with actual hours worked for determining base wage rate progression in accordance with Exhibit A.

1.3.8. Part-time employees shall not be eligible for overtime, temporary upgrades, or shift assignments until such time as the Company has exhausted all reasonable attempts to fill the assignment from full-time employees. Part-time employees shall receive overtime, holiday, or shift differential for work performed.

1.3.9. A part-time employee will accumulate one (1) hour of holiday straight time pay for every twenty-six (26) straight time hours worked (excluding overtime hours). Additionally, he/she will receive time and one-half (1-1/2) for all hours actually worked on a holiday including the applicable shift differential.

1.3.10. It is understood there shall be no pyramiding of overtime, holiday, and/or premium pay. If time worked falls under two (2) or more such categories, the higher rate shall prevail.

ARTICLE 2

UNION SECURITY

2.1. Union Membership. Union membership will be made available for employees of the Company employed in positions covered by this Working Agreement.

2.2. Terms of Union Membership. The Union will make membership in the Union available to all employees covered by this Agreement on a non-discriminatory basis.

2.3. Deduction of Union Dues. The Company agrees to deduct from the wages of employees covered by this Agreement, who authorize such deductions of their union dues, and to remit such dues within thirty (30) days of receipt to the Secretary-Treasurer of Local No. 2-652 of the Union. In the event of a change in the amount of the union dues, the Company will deduct such changed amount only after thirty (30) days notice, in writing, to the manager of Union Relations from the Secretary/Treasurer of the Local Union.

2.4. Company Protection from Liability. Except where the Company has made a clerical error in the deduction for dues, which will be adjusted promptly by the Company, any questions as to the correctness of the amount deducted shall be settled between the employee and the Union; and the Union shall indemnify and save the Company harmless against any and all claims, payments, law suits, or other forms of liability that may arise out of or by reason of action taken by the Company at the direction of the Union in making payroll

deductions of Union membership dues. The Company shall not be required to take any action against an employee for electing not to become or remain a Union member.

2.5. Union Solicitation. The Union agrees there will be no solicitation of employees for Union membership on Company premises during working hours by the Union or its members.

2.6. Notification of New Hires. By the fifteenth (15th) of the month, the Company shall provide the Union a monthly listing of all new hires, transfers, and terminations to or from the bargaining units.

2.7. Check-off Authorization. The conditions controlling the deduction of Union dues are stated on the following Check-off Authorization Form. The Company will allow a Union representative to distribute a Check-Off Authorization form to a newly-hired represented employee.

2.8. Dues Deduction. Within the meaning of the dues deduction authorization, membership dues will include only that regularly required equally of all members which has been designated as membership dues pursuant to appropriate Union constitutions and by-laws.

CHECK-OFF AUTHORIZATION

I hereby authorize Lockheed Martin Idaho Technologies Company, my employer, to deduct from my wages on the first pay period of each month hereafter, an amount equal to the first month's dues and the regular monthly dues thereafter, payable to Oil, Chemical, and Atomic Workers International Union and Local No. 2-652. Such deductions to continue for a period of one (1) year from the date hereof and for each year thereafter, unless terminated by me on an anniversary date hereof by 30 days prior written notice to the Company and the Union. Provided further, I expressly reserve the right to cancel this authority at any time after the termination of the present collective bargaining contract between my employer and the above named Union. If I am permanently transferred outside the bargaining unit, or on layoff status, or on an inactive payroll of the employer, this authorization shall be null and void.

Date

Employee's Signature

Employee S#

ARTICLE 3

MANAGEMENT RIGHTS

The Union recognizes that managerial functions inherent in the conduct of business by an employer are retained by the Company. The management of the Company and direction of its employees except to the extent modified or deleted by this Agreement remain vested in the Company. Such rights of management include but are not limited to the following: the introducing of new or improved production means, methods, processes or equipment; verifying work has been performed correctly; determining the size and the composition of the work force; the establishment of work rules; discipline of employees for cause; and the hiring, reducing or increasing of the work force.

ARTICLE 4

EMPLOYEE DUTIES AND RESPONSIBILITIES

4.1. Employee Supervision. Each employee will be assigned work by one recognized supervisor and will be responsible to that supervisor for proper performance. Administrative matters such as personal leave requests may require notification of an administrative supervisor having administrative responsibility for the section.

4.2. Reporting for Work. When reporting to work, each employee will report at a place and time designated by his supervisor.

4.3. Unavoidable Absences from Work. Any employee who finds he will be unable to report for work when due will notify his supervisor or other designated person of his expected absence at least two (2) hours in advance whenever possible stating the reason or necessity for such absence. (Medical employees shall be required to give three [3] hours notice.) The giving of notice does not insure that the absence will be approved or paid. It is the intention of the Company to administer this provision uniformly as consistent with the facts in each case.

4.4. Complying with Established Work Rules. Each employee will observe Company policies and prescribed rules regarding attendance, work performance, personal conduct, safety, radiological safety, security, and substance abuse. Employees should go to their first line supervision on questions pertaining to Company policies and prescribed rules.

4.5. Work Assignments. All employees are expected to perform such work as is incidental, usual, and necessary to safe and efficient operations. Incidental work, necessary to complete primary job assignments, will be performed if the employee is appropriately qualified to do such work. Employees will also perform such work as required in emergency conditions or for good housekeeping, including minor maintenance to equipment utilized by bargaining unit personnel and running maintenance. Running maintenance, as used herein, when applied to operations employees, means minor maintenance necessary for efficient operation of equipment such as, but not limited to, tightening packing glands on pumps, valves, etc., but shall not include overhaul work.

4.6. Additional Work Assignments. Employees who are temporarily not needed to do their usual existing work may be required to perform other work for which they are qualified, with the objective of utilizing all available manpower effectively and economically. When all things are equal (such as, availability, qualifications, continuity) seniority will be the deciding factor for the assignment. Supervision will notify the appropriate Union representative when making assignments.

4.7. Clarification of Worksharing. The parties recognize that there are distinguishable skills between various classifications. At the same time, it is agreed that there is work that, although traditionally assigned to specific classifications, can be performed safely, efficiently and economically by employees in other classifications.

Such work would typically require no additional training or only nominal training which will be provided to those employees assigned to perform the work.

4.8. Ceasing Work. Where relief is scheduled, no employee shall cease work until his relief begins work or until released by his supervisor.

4.9. Cooperation in Jobs, Methods, Personnel, and Performance. The Workmen's Committees and/or employees will furnish information to the Company concerning their work and cooperate with and assist the Company in formulating, establishing and maintaining, and/or applying programs or job analysis, job evaluation, job instruction, improved job methods, personnel evaluation, safety, training, performance tests, qualifications, certifications, and recertifications.

4.10. Maintaining Certifications/Qualifications/Licensing. Employees will be required to maintain certifications/qualifications/licensing to meet operational needs. It is recognized by both the Company and the Union that operational training and skill requirements are subject to change as business practices, technology, plant modifications, and applicable regulations affect work performed under the Working Agreement. Significant changes will be discussed with the Union. The Company will provide appropriate training with equal opportunity over a reasonable amount of time to allow employees to remain certified/qualified/licensed to perform work

within their classifications. Employees will be required to participate in training programs and maintain certification/qualification/licensing requirements.

Employees who fail to certify/recertify, qualify/requalify or maintain their license will be demoted in accordance with Section 8.2.2. If there is no opening in their classification, the affected employee will be terminated.

ARTICLE 5

HOURS OF WORK AND WORK SCHEDULES

5.1. Hours of Work. Each employee will have an established work schedule that complies with this Article. Changes to the established schedules will be discussed with affected employees, and the Union will be given the opportunity to provide alternatives.

5.1.1. Work Week. The work week for all employees starts at 12:01 a.m. on Monday and ends seven (7) days later.

5.1.1.a. The work week for off-site employees working the 9X80 schedule will start at noon on Friday and end seven (7) days later on Friday noon.

5.1.2. Work Day. The work day starts at 12:01 a.m. and ends twenty-four (24) hours later.

5.1.3. Posting Work Schedules and Change Notification. Current schedules of work for all employees shall be posted by the Company. In the event of a change in schedule, the employee shall be notified in writing, if practical. Otherwise, the employee shall be notified verbally and acknowledge such notification, with written confirmation as soon thereafter as practical.

5.2. Work Schedules for Day Workers.

5.2.1. Standard Work Schedules. The standard work schedule will be one of the following:

5.2.1.1. 5X8 Schedule. This schedule will be Monday through Friday inclusive. Workers will be scheduled for eight and one-half (8-1/2) hours with a thirty (30) minute unpaid lunch period. Start times will be between 6 a.m. and 10 a.m. Release times will be eight and one-half (8-1/2) hours later, between 2:30 p.m. and 6:30 p.m.

5.2.1.2. 4X10 Schedule. This schedule will be four (4) consecutive days either Monday through Thursday or Tuesday through Friday. Workers will be scheduled for ten and one-half (10-1/2) hours with a thirty (30) minute unpaid lunch period. Start times will be between 6 a.m. and 10 a.m. Release times will be ten and one-half (10-1/2) hours later between 4:30 p.m. and 8:30 p.m.

5.2.2. Alternate Work Schedules. In order to meet the business needs of a competitive marketplace and to adapt to the needs of an increasingly diverse work force, schedules other than those described in Section 5.2.1 may be implemented. Before being implemented, such schedules will be discussed with the Union and Union Relations to ensure contract items (meal periods, overtime, holidays, etc.) are properly addressed. The possible options are numerous and can not be anticipated in all cases. However, the attributes of such schedules can be described as:

5.2.2.1. Work Days. The alternative work schedule will be composed of four (4) or five (5) days.

5.2.2.2. Scheduled Off Days. The alternative work schedule will normally contain no less than two (2) consecutive scheduled days off.

5.2.2.3. Work Hours. The alternative work schedule will normally contain forty (40) regularly scheduled hours with no more than twelve (12) and no less than four (4) hours in any work day.

5.2.2.4. Meal Period. Thirty (30) minutes or one (1) hour unpaid meal periods will normally be provided on any alternative work schedule.

5.3. Work Schedules for Shift Workers

5.3.1. Requirements for Shift Work. The seven-day operations at the Site require employees to work schedules to support those operations.

5.3.2. Types of Shifts. An employee may be assigned to any of these shift schedules to support Site operational activities.

5.3.2.a. Rotating Shifts. Where an employee rotates on an eight (8) hour schedule between the day, evening, and night shifts, or where an employee rotates on a twelve (12) hour schedule between the day and night shift.

5.3.2.b. Fixed Shifts. Where an employee works a steady shift other than days.

5.3.2.c. Alternating Shifts. Where an employee alternates between two (2) shifts.

5.3.3. Rotating Shift Work Schedule.

5.3.3.a. Rotating Eights (8s). Normally the day shift will be from 8:00 a.m. until 4:00 p.m.; the evening shift will be from 4:00 p.m. until 12:00 midnight; the night shift will be from 12:00 midnight until 8:00 a.m.

5.3.3.b. Rotating Twelves (12s). Normally the day shift will be from 12:00 noon to 12:00 midnight and the night shift will be from 12:00 midnight until 12:00 noon. Alternatively, the day shift will be from 7:00 a.m. to 7:00 p.m. and the night shift will be from 7:00 p.m. until 7:00 a.m. Before implementing a 7 to 7 schedule, the schedule will be discussed with the Union and Union Relations to ensure contract items (meal periods, overtime, holidays, start of the work week, etc.) are properly addressed. If the Company implements a 7 to 7 schedule, there will be a one (1) year trial period.

5.3.3.c. Work Weeks. For rotating eights (8s), work weeks will normally contain consecutive work days and be based on forty (40) hours Monday through Sunday inclusive. For rotating twelves (12s), work weeks will normally contain consecutive work days and be based on either forty-eight (48) hours or thirty-six (36)

hours Monday through Sunday. Days off will be scheduled on consecutive days whenever possible.

5.3.4. Shift Worker Meal Break. As business needs allow, shift workers working twelve (12) hour shifts will be allowed reasonable time to eat every four (4) hours, but not to exceed two (2) meal breaks per shift. Other shifts will be allowed one meal break near the middle of the shift.

5.4. Schedule Changes

5.4.1. Premium Pay for Short Notice. When an employee's schedule is changed, and at least forty-eight (48) hours notice prior to the time he is to report for work on the new schedule is not given, the employee shall receive pay for the time worked on the first shift of the rearranged schedule at the rate of one and one half (1-1/2) times his regular base wage rate. This provision does not apply in cases of promotion (to the employee promoted) or when schedule changes to suit the personal convenience of one or more employees are permitted.

Premium pay under this clause shall not be paid for a rearranged schedule to the extent the change in schedule results in overtime or for work performed subject to the holiday premium.

5.4.2. Pyramiding. In no case will any premium pay, including overtime, be pyramided.

5.4.3. Changes Between 8, 10, or 12 Hour Schedules. The Company will make every reasonable effort to schedule work in such a manner that the moving of personnel between the 8, 10, or 12 hour schedules is made in full week increments whenever practicable, and to avoid such moves during weeks containing holidays. In the event a mid-week schedule change occurs in/out of the 8-, 10-, or 12-hour schedules, the affected employee will be paid one and one-half (1-1/2) times his base wage rate for the first such change in the work week. Premium pay will not be paid for a subsequent change within the same work week to return to his original schedule.

This premium shall not be paid to an employee who is notified of a schedule change prior to beginning the series of consecutive shifts that define his work week.

5.4.4. Schedule Change at Request of Company. No employee shall lose any scheduled time or pay within the work week (exclusive of shift differential), by reason of having worked overtime or by reason of shift or schedule changes made at the request of the Company. Normally an employee's scheduled days off within the work week will not be changed after the employee has started work on his schedule for that work week.

5.4.5. Premium Pay for Less Than Twelve Hours Between Shifts. Employees will receive one and one half (1-1/2) times the base rate of pay for the time worked on the first shift of the rearranged schedule when the company fails to allow at least twelve (12) hours off between shifts. This provision does not apply in cases of promotion (to the employee promoted), shift changes created by employees exercising bid rights, as per Article 8, Section 8.12, or shift changes made at the request of one or more employees.

5.5. Reporting. Each employee will arrive at his post of duty sufficiently in advance of shift change that he may prepare himself to assume his job responsibilities at the time appointed for his shift to begin.

ARTICLE 6

OVERTIME

6.1. Overtime Rates. Overtime rates, computed at one and one-half (1-1/2) times the sum of the regular base rate, shall be paid in lieu of regular wages for work performed by an employee in excess of forty (40) hours in any work week (thirty-six [36] hours scheduled work week for 12-hour rotating shifts). Unpaid leave shall not be counted as time worked for the purpose of computing overtime. "Regular base rate" for overtime pay purposes shall be the rate applicable to the particular work performed during the overtime period. For the purpose of computing fractional overtime hours worked, such overtime shall be computed to the nearest thirty (30) minutes.

6.2. Work on Scheduled Days Off. All hours worked by an employee on his scheduled days off shall be paid by the Company at one and one-half (1-1/2) times his hourly rate of pay subject to the 40-hour requirement in Section 6.1.

6.3. Required Time-Off to Avoid Overtime. No employee shall be required to take time off during his scheduled work week to avoid the payment of overtime.

6.4. Overtime Records

6.4.1. Recording and Posting Overtime Hours. A current record of overtime accumulated by each employee will be maintained. Area overtime rosters incorporating the records of area employees

will be posted in the appropriate work locations. For the purpose of such overtime accumulation records, overtime assigned or offered will be considered the same as if accepted and worked. Only hours worked or offered outside an employee's regular schedule will be credited to his overtime record but in no case will the employee be charged for more than the actual hours worked on the overtime assignment, except as provided in 6.7.10. An employee may request in writing to be automatically charged for overtime refusal without notification. This request remains in effect until withdrawn.

6.4.2. Transferring Overtime Hours. New employees, including recalled employees, and those promoted, demoted, transferred (regular or temporarily) to another area or classification will be credited with the average overtime hours accumulated by all employees in the classification in the respective area. This will occur within the first full shift. An employee on temporary assignment who completes the week will remain on that area overtime roster until the end of the work week. Upon returning to his assignment, such employee's overtime record shall include all overtime hours worked during the temporary assignment.

6.5. Pyramiding of Premium and/or Overtime Pay. Overtime or premium payment for any hour worked eliminates that hour from consideration for payment on any other basis. If time worked falls under two or more overtime and/or premium pay classifications, the higher rate shall prevail.

6.6. Eligibility

6.6.1. Overtime for Temporary, Part-Time, and Probationary Employees. Except in emergencies, temporary hires, part-time or probationary employees will not be eligible for overtime assignments in their work area until all regular employees in the area have been offered the overtime assignment. For purposes of administration of this Section, an emergency shall be defined as a situation which is a potential health or safety problem, or work which requires immediate attention and all readily available manpower.

6.6.2. Overtime Eligibility for Employees on Temporary Upgrade. An employee on temporary upgrade will be eligible for overtime assignments in his regular classification for one week. The qualified employee on temporary upgrade will then be eligible for overtime assignment in the upgrade classification after one full work week in said classification. The employee will be brought into the upgrade classification overtime roster with hours equal to the highest hours on the roster. Once such employee is eligible for overtime assignment in the upgrade classification, he will not be eligible for an overtime assignment in his regular classification until he returns to continuous work in his regular classification.

6.6.2.a. Overtime for Upgraded Lineman. The Company and Union agree to allow Electricians 1/C who are temporarily upgraded to the Lineman classification to work overtime in that classification immediately upon upgrade rather than waiting a full week.

6.7. Overtime Distribution

6.7.1. Overtime Groups. There will be defined overtime groups. An example of an overtime group is all Electricians within an area. Overtime will be distributed within a classification within an area.

6.7.2. Overtime Adjustments. When it has been agreed by the Company and the Union that a qualified employee has been improperly by-passed for an overtime assignment on a particular overtime roster the Company will remedy it as follows:

With each individual overtime roster, when there is an improper assignment of overtime on an overtime roster, up to four (4) times over a thirty-six (36) month period beginning with contract ratification, the affected employee(s) will be offered the next available overtime assignment the employee is qualified to work. The employee will have the opportunity to either work the assignment or turn it down and the matter will be considered resolved. The actual hours worked will be paid.

If an improper assignment of overtime on a particular overtime roster occurs a fifth (5th) time within the thirty-six month period the affected employee(s) will be compensated in the amount he would have earned had the proper assignment been made. Occurrences beyond the fifth (5th) one will be handled in this same manner.

An improper overtime assignment made by a represented employee being utilized under 6.7.16 will not be counted under this provision.

6.7.3. Overtime Volunteer List. There will be a weekly overtime volunteer list posted for each classification within an area. Employees desiring overtime work during that week will sign the weekly overtime volunteer list and indicate the day(s) they are available for overtime assignments and the amount of overtime hours accumulated at the time of signing. A sign-up cutoff time will be established for each overtime roster, with input from those on the roster. An employee may request in writing to be automatically charged for overtime refusal without the overtime being offered. The request remains in effect until withdrawn.

6.7.4. Assignments from the Volunteer Overtime List. The Company will initially assign overtime hours to the employees who have signed the weekly volunteer overtime list on the days the employees have indicated availability. Initial assignments will be made to those employees with the lowest amount of accumulated overtime. Where overtime hours are equal, seniority will prevail.

6.7.5. Overtime Requirements in Excess of Available Volunteers. In the event the Company's overtime requirement exceeds the available volunteers or if there are no volunteers, the Company may assign the overtime to be worked, beginning with the employee who has accumulated the least amount of overtime hours.

6.7.5.1. Overtime Assignment. Beginning with the lowest accumulated hours, overtime assignments will be made in the order of (1) Volunteer, (2) No Preference and then (3) Refusal.

6.7.6. Zeroing Overtime Records. Effective the first week of each contract year, all employee overtime rosters shall be reduced by the number of hours of the low person in each classification. The parties agree to readdress overtime issues relative to spread at the start of each contract year. If issues remain, a Memorandum of Understanding will be negotiated.

6.7.7. Overtime Assignments With More Than Three (3) Hours Notice. If the overtime assignment is offered at least three (3) hours in advance of an overtime requirement, the overtime assignment shall be made to the employee who has signed the weekly volunteer overtime list who has the least amount of overtime, whether or not the employee is at work.

6.7.8. Overtime Assignments With Less Than Three (3) Hours Notice. If the overtime assignment is not offered at least three (3) hours in advance of an overtime requirement, the assignment may be made to the employee at work who has signed the weekly volunteer overtime list and who has the least amount of overtime in the job classification.

6.7.9. Overtime Volunteer Availability Required. If an employee signs the weekly volunteer overtime list indicating his availability on his days off or off duty hours, he must be available upon notification to report for work on an overtime assignment.

6.7.10. Overtime Volunteer Nonavailability Penalty. If an employee signs the weekly volunteer overtime list and refuses an assignment or is not available to be reached, the employee will be charged double the actual hours worked.

6.7.11. Special Overtime Requirements. It is recognized that certain jobs may require special crew assignments and/or job continuity and the assigned personnel may continue with the overtime assignment. Supervision will notify the appropriate Union representative when making the assignment.

6.7.12. Weekly Overtime Limits. No employee shall be permitted to work more than seventeen (17) consecutive hours, nor more than twenty-seven (27) hours in any forty-eight (48) hour period, nor more than seventy-two (72) hours in any seven (7) day period, and for twelve (12) hour shift workers, within twelve (12) hours of a scheduled twelve (12) hour shift. Employees shall not be forced to work more than sixty-four (64) hours in a work week or more than fourteen (14) consecutive days without having two (2) consecutive days off. Consistent with the above limitations, a 4 X 10 day worker will not be forced to work more than 12 hours in a work day more often than once during the normally scheduled work week (midnight Sunday through midnight Thursday). These limits will not apply in unusual or critical circumstances.

6.7.13. Unqualified Employees. An employee may be bypassed for an overtime assignment if he is not qualified to perform overtime work due to physical limitation or illness, radiation exposure, lack of qualification/certification, etc.

6.7.14. Overtime for Union Officers. Union officers (i.e., President, Vice President, Workmen's Committee representative, Trustee and Secretary) shall not be charged for overtime refusals when such refusals are necessitated by the officer's scheduled attendance at Union meetings, executive board meetings and/or Workman's Committee meetings. This provision shall not be construed to release a Union official from the obligation to work when a forced overtime situation occurs.

6.7.15. Overtime Prior to Vacation or Scheduled Shift. The Company shall not require an employee to work overtime after his last scheduled shift prior to going on vacation. The Company also agrees that vacation continues up to the start of the employee's first scheduled shift of work following a vacation. During this time off, the employee shall not volunteer to work overtime on his scheduled vacation (Personal Leave) day(s), but may volunteer to work the other days.

The parties agree to address the handling of overtime during the Christmas curtailment prior to each curtailment period.

6.7.16. Administering Overtime. The Company may from time to time utilize represented employees to assist with overtime assignments. If the administration of overtime is to be handled by a represented employee, he shall be upgraded to lead for the time actually worked performing this function, and shall be computed to the nearest thirty (30) minutes.

6.7.17. Overtime Assignments, Idaho Falls. Employees working in town will be bypassed on Site overtime, unless additional persons are needed. Also Site personnel will be bypassed on town overtime unless additional persons are needed.

6.8. Furnishing Meals

6.8.1. Provisions for Furnishing Meals. An employee who works more than two (2) hours immediately preceding his regularly scheduled shift starting time or who works more than two (2) hours beyond his regularly scheduled shift shall be furnished a meal and allowed to eat the same on Company time. Where an employee continues to work more than eight (8) hours beyond his regularly scheduled shift he shall be furnished an additional meal and allowed to eat the same on Company time. However, an employee who works the full night shift and continues to work the day shift (two [2] consecutive shifts) will, at his request, be furnished not more than two (2) meals. The cost of each meal furnished to an employee under the provisions of this Section 6.8.1 shall not exceed \$6.00. (In May of each year, the Company will review the cost of meals and determine if an increase in this meal allowance is warranted.) If operational duties prohibit the employee from leaving the job to eat a meal, a meal shall be brought to him, if available. Where reasonably available, a hot meal will be provided. Employees who are eligible for a meal while working in off-Site areas will be reimbursed up to \$6.00 upon presentation of a satisfactory receipt.

6.8.2. Employees Held Over Four or More Hours. Where an employee working on his scheduled shift is held over from the scheduled shift to work four (4) or more hours on the following shift, such employees shall be provided the option of spending the rest time at the Site and being furnished two (2) additional meal tickets or utilizing transportation in accordance with the Company's current practices.

6.8.3. Employees Called Out Prior to Scheduled Shift. When an employee is called out prior to his regular scheduled shift and chooses to spend the remaining unpaid time until his scheduled shift begins at the Site, he shall be furnished two (2) meal tickets.

6.8.4 Intent of Company Furnished Meals. The furnishing of meals referenced above is intended to cover only those employees who are unable to furnish their own meals as opposed to furnishing meals to employees who know about the overtime before they come to work and can reasonably be expected to provide their own meals.

6.9. Sleeping Accommodations. If sleeping accommodations or transportation to either the employee's home or personal vehicle can not be provided, said employee will not be forced to remain at work for overtime.

ARTICLE 7

SENIORITY

7.1. Seniority Described. Seniority, as used in this Agreement, is the measure of an employee's length of service and shall apply with respect to promotions, demotions, layoffs, bidding, shift assignments, and reemployment.

7.2. Probationary Period. During the first ninety (90) calendar days of employment in the bargaining unit, an employee shall be considered on probation insofar as continued employment with the Company is concerned. The probationary period may be extended to a total of one hundred thirty-five (135) calendar days upon mutual agreement of both parties. Exceptions to the probationary period stated above shall be those Reactor Operations employees hired for a specific job who must work in other areas while awaiting issuance of their access authorization. In these cases, the probationary period shall begin when the employee reports to the work area and job for which originally hired or that resulting from a vacancy bid. In all cases, termination of an employee's service prior to the expiration of the probationary period shall not be subject to arbitration.

7.3. Seniority Roster. The Union is responsible for all determinations related to the seniority rights and standings of its membership. The Company will provide information to assist the Union in making seniority determinations. Within thirty (30) days of the execution of this contract and every six (6) months thereafter, the

Union will prepare a seniority roster and distribute it for publication to the Company. Any Union member disputing his or her seniority standing, as shown on the published seniority roster, may file a complaint with the Union, within thirty (30) days of the date of publication. The Union agrees to indemnify the company for all claims and costs related to actions taken by the Company in reliance upon the published seniority roster.

7.4. Types of Seniority. It is agreed that past length of service is properly reflected in the current seniority standings of the employees as of the effective date of this Working Agreement. Subsequent to the effective date of this Working Agreement there shall be two types of seniority: unit seniority or unit and section seniority.

7.4.1. Unit Seniority. The length of service on a regular, full-time basis in one of the following bargaining units: Operations and Maintenance including SWEPP Operators, Telephone Operators, Printing, Cafeteria, Mail Clerks, Photo Service and Micrographics, Medical Division Employees, Radiation Control Technicians, Decontamination Technicians, Clothing Issue Technicians, and Vehicle Repair. Unit seniority shall begin with the first full day of work performed on a regular, full time basis in classifications covered by one of the units. Unit seniority shall become effective at the end of the applicable probationary period, but shall date from date of commencement of that period.

7.4.2. Section Seniority. (Operations and Maintenance Unit only) The length of service on a regular, full-time basis in the applicable line of progression. Section seniority shall begin with the

first full day of work performed in the section on a regular, full-time basis. Section seniority shall not apply to those employees in the Laborer classification; except that employees with section seniority, who are demoted into the Laborer classification due to force reduction, shall retain their section seniority for promotional purposes. It is understood that when more than one employee enters a section the same day where section seniority applies, the employee with most unit seniority shall be considered senior. When unit seniority is equal, the Union will inform the Company of the order of seniority.

7.5. Service Benefit Date. The date from which length of service is determined for the purpose of computing employee benefits such as personal leave, unavoidable absence benefits, and insurance.

7.6. Seniority for Temporary Employees. Employees hired for work of a temporary nature and who are expressly advised of the temporary nature of their employment, shall establish no seniority during such temporary employment. If such an employee accepts a regular full-time job within a recognized bargaining unit covered by this Working Agreement, the employee's unit seniority will begin on the first day he works as a regular full-time employee. The Company will notify the Union of all such employees hired.

7.7. Seniority and Leaves of Absence

7.7.1. Administrative Leave of Absence. An employee returning to work from an Administrative Leave of Absence authorized by the Company shall retain the amount of seniority which he accrued prior to going on Administrative Leave.

7.7.2. Inactive Status. An employee returning from Inactive Status authorized by the Company will accumulate section (where applicable) and unit seniority up to twelve (12) months while in that status. If at the expiration of his Inactive Status he is granted Administrative Leave of Absence due to continued absence due to injury or illness, he will accumulate unit seniority for an additional eighteen (18) months.

Any employee whose combined Inactive Status and Administrative Leave of Absence periods exceed thirty (30) months shall be allowed to retain all seniority accrued to him at the end of the thirty (30) month period.

7.7.3. Returning from Layoff. An employee returning to work on a regular, full time basis from layoff within thirty (30) months from date of layoff will be credited with all applicable seniority as though he had not been laid off, provided he has complied with Subsection 8.3, Reemployment, Article 8. In the event the Company elects to rehire within thirty (30) months from date of layoff, an employee who failed to comply with Subsection 8.3, Reemployment, will be credited with the unit seniority he had at the time of such layoff.

7.8. Termination of Seniority. All seniority or length of service under Service Benefit Date immediately terminates in the event of resignation or discharge for cause.

7.9 Assignment Out of the Bargaining Unit. In the event an employee is promoted or assigned out of the bargaining unit, the employee shall continue to accumulate length of service and unit seniority for a period of six (6) months. It is understood that transfer back to the bargaining unit within the six (6) month period shall be at the sole discretion of the Company. In the event the employee is not transferred back to the bargaining unit within the six (6) month period, all seniority shall terminate.

7.10. Seniority Units. For the purpose of this Agreement, a seniority unit shall mean the bargaining unit certified by the NLRB or as provided by law for each of the groups covered by this Agreement. No employee shall accumulate seniority in any seniority unit other than the seniority unit in which he works. No employee in a seniority unit shall be permitted to bump or cross-bid from one seniority unit to another. Employees accepting employment in another bargaining unit may not bump back to their former unit.

7.11. Deviation by Mutual Agreement. Deviations from the above procedures will be made by mutual agreement between Union and Company in writing.

7.12. Vacation Preferences. Vacations will be bid in conjunction with shift bids. Vacation preferences will be honored by section/unit seniority of the employees within a classification and work area.

7.12.1. Vacation Preference Process. The employee with the most section/unit seniority within each classification in a work area will have first choice of vacation preference. He will not be allowed

his second choice until all employees within his classification in the same work area have been allowed a choice in order of section/unit seniority. Each subsequent choice will be made using the same process. A vacation preference choice is considered to be any group of consecutive work days. Vacation requests made after the vacation bidding process will be determined by date of written request but will not be given precedence over the established schedules.

ARTICLE 8

PROMOTIONS, DEMOTIONS, TRANSFERS, LAYOFFS, TERMINATIONS AND REEMPLOYMENT

8.1. Definitions

8.1.1. Discharge. Termination for just cause. Discharge creates an unsatisfactory service record.

8.1.2. Resignation. An employee's voluntary termination of employment.

8.1.3. Layoff. As used herein means termination for reduction in force. An employee laid off retains satisfactory record of performance with the Company.

8.2. Demotions and Layoff. Employees may be demoted (a) at their own request; (b) because of documented failure to perform essential job functions; (c) because of reduction in force; or (d) because of failure to certify/qualify or recertify/requalify or to maintain license as required.

8.2.1. Demotion at Employee's Request. An employee demoted at his own request shall be demoted in accordance with the applicable line of progression (See Exhibit "B" for Operations and Maintenance) and shall be required by the Company to remain in the classification to which he was demoted for a period of three (3) months before being eligible for promotion.

8.2.2. Involuntary Demotion. An employee demoted by the Company because of documented failure to perform essential job functions or failure to certify/recertify or qualify/requalify or to maintain license shall be demoted in accordance with the applicable line of progression (See Exhibit "B" for Operations and Maintenance). Supervision will counsel the employee on the reason for any such demotion. Such employees will be eligible for promotion after a period of two (2) months from the date of demotion and may be required to pass a written and/or practical test as concurred to by both the Union and Company.

8.2.3. Transfers or Demotions Due to Reduction in Force. Transfers or demotions due to a reduction in force within any classification, with the exception of the Laborer classification, will be made on the basis of section seniority (or unit seniority if no section seniority exists), except as outlined in Article 18, Apprenticeship Program. The affected employee shall regress down the classification and displace the junior employee.

In the event an employee in the Operations and Maintenance unit does not have sufficient seniority to displace another employee or does not choose to exercise seniority as provided above, he shall regress to the Laborer classification or be laid off and receive severance pay in accordance with Article 13. If not in the Operations and Maintenance Unit, he shall be laid off. It should be noted, however, that an employee in Operations and Maintenance electing to be laid off rather than regressing to the Laborer classification and returning to the labor pool within thirty (30) months from date of

layoff shall retain section seniority for promotional purposes within the section from which he was laid off as outlined in Article 7, Subsection 7.4.2.

8.2.3.a. Medical Job Classifications. For the purpose of layoff, termination and vacations, RNs, LPNs, X-Ray Technologists, and Medical Technologists are separate classifications.

8.2.4. Displacing Laborers or Custodians. In the Operations and Maintenance Unit, reduction in force from the bargaining unit will be made by laying off the Laborer classification on the basis of unit seniority. The Company shall determine on the basis of work requirements whether layoffs shall be made from the Laborer or Custodian classifications, or both.

8.2.5. Reclassification Due to Failure to Become Certified. It is the Company's intent to provide training and run-time for certifying Operator Helpers for promotion to Operator. Operator Helpers who fail to certify for promotion to Operators within twenty-four (24) months from date of entry into the position will be returned to the classification in the unit which the employee was in prior to entry into the Operator Helper classification, provided there is an opening, or have the option to go to the labor pool provided there is an opening. If there is no opening, or the employee has no former classification, the affected employee will be terminated.

8.2.6. Reduction in Force Due to Classification Abolishment. In the event of a reduction in force due to the abolishment of a classification, the affected employee(s) will be

offered employment in openings in other classifications before the Company hires from the outside, provided the employee(s) meets entry level requirements to perform the required work. The Company will provide the appropriate training.

8.3. Reemployment Following Layoff. For thirty (30) months following layoff, such laid off employees with at least ninety (90) days continuous employment immediately prior to layoff shall be given preference in reemployment. The employee's unit or section seniority will be the determining factors in filling vacancies in the line of progression the employee held at the time of layoff, provided the employee meets entry level requirements to perform the work. The Company shall not be required to consider any employee for reemployment who does not notify the Manager of Union Relations, in writing, fifteen (15) days after the layoff and at least every six (6) months thereafter of his desire to be reemployed. The Company will give such notice by certified mail addressed to the employee's last address as shown in the Company's records. A copy of this notice will be sent to the Union. Failure to notify the Company of acceptance within fifteen (15) days of mailing will result in loss of seniority for recall.

8.3.1. With respect to qualified employees who have been involuntarily laid off, time limits and restrictions for reemployment may be waived to coincide with the provisions of an applicable DOE Workforce Restructuring Plan prepared in accordance with Section 3161 of the 1993 Defense Reauthorization Act.

8.4. Terminations. The Company reserves the right to discharge or suspend any employee for just cause. Such action by the Company is subject to the grievance and arbitration procedures set forth in Article 15, Subsection 15.6.

8.5. Promoting from Lower Classifications. When promoting, the practice of the Company will be to promote employees in accordance with the applicable line of progression (See Exhibit "B" for Operations and Maintenance) based upon seniority and qualifications. If there are no employees meeting the requirements for promotion from within the bargaining unit, vacancies may be filled by the Company from any other available source.

8.6. Upgrades

8.6.1. Temporary Upgrades. Senior qualified and available employees may be temporarily upgraded for absentee relief, vacation relief, or other temporary situations occurring in their respective line of progression or upgrade preference. Employees will receive the applicable upgrade rate for the position they are filling. These upgrades should last less than one-hundred twenty (120) days. If the upgrade exceeds one-hundred twenty (120) days, the Company will discuss the reasons for the extension and the Union will be provided an opportunity to provide alternatives.

8.6.2. Notice of Preference for Upgrade. (Operations and Maintenance) New hires or transfers into the Laborer classification may within six (6) months of such hire or transfer file notice of preference for upgrade to a designated Maintenance Helper

classification. One copy of the Notice of Preference must be filed with the employee's manager and a second copy filed with Union Relations. The notice of preference will be reviewed by management when making selections for upgrades.

8.6.2.a. Vehicle Repair Upgrade. Laborers will be allowed to designate Vehicle Repair as an upgrade preference. However, because the Laborers and the Vehicle Repair employees are in different units, it is understood that Laborers who advance positions in Vehicle Repair will give up their seniority in the Laborer unit and begin establishing job seniority as a junior employee in the Vehicle Repair classification. In the event a reduction in force becomes necessary and an employee from the Vehicle Repair classification is faced with layoff, the employee does not hold any regression rights back to the Laborer classification.

8.6.2.b. Limited to One Per Year. A Laborer may make only one preference for upgrade choice during a calendar year, and even though this choice may be voluntarily withdrawn, another choice may not be filed until a new calendar year begins.

8.6.2.c. Transferring Preference. Laborers transferring to another work area will carry their current preference and be placed on the preference list according to their unit seniority.

8.6.2.d. Craftsmen Being Used as a Laborer. Craftsmen being temporarily utilized as Laborers have no preference rights.

8.6.3. Lead Upgrade. If the Company deems it necessary, it may upgrade an employee to act as lead in supervisory-related positions. Employees designated as lead under this provision will not exceed one-hundred eighty (180) days. If necessary after this assignment, the lead will be offered to other qualified employees within the classification in the area. If there is no interest, the same employee may be assigned to act as lead. The employee upgraded shall be paid an hourly wage rate of \$1.60 per hour above the regular base wage rate or \$1.60 per hour above the base wage rate of the employee in the highest classification (this excludes any red-circled employee or an employee working outside their classification) working under his direction, whichever is higher, in the following situations:

8.6.3.a. Lead for Relief For Supervision. Employees may be designated as lead to fill in for supervisory personnel. Employees in this capacity will not be required to use the tools of the classification.

8.6.3.b. Lead for Support of Supervision. Employees may be designated to assist supervision as the person in charge of giving work direction to employees in their own specific classifications and/or other crafts on specific jobs. Employees in this capacity may be required to use the tools of their classification.

8.6.3.c. Lead for Work Direction. Employees may be designated as a point of contact reporting to a designated member of management in the area. Employees in this capacity may be required to use the tools of their classification for which they are qualified.

8.6.4. Upgrade for Non-Represented Position. If the company deems it necessary, it may upgrade an employee as a planner or technical procedure writer not to exceed one hundred eighty (180) days. If necessary after this assignment, the upgrade will be offered to other qualified employees within the classification in the area. If there is no interest, the same employee may be assigned to the upgrade. It is not intended for this upgrade to apply in cases where participation in work planning or procedure review are incidental to the job. Employees upgraded shall be paid an hourly rate of \$1.25 above their current base wage rate. Performance of non-represented work by represented employees during such upgrades will not cause the work to become represented work. Represented employees covered by this agreement may be upgraded to other non-represented positions when mutually agreed to by the Union and Manager of Union Relations.

8.7. Probationary Period Following Promotion or Transfer. In the event of promotion or transfer to another classification, there will be a probationary period of sixty (60) calendar days. If at any time during said period the employee is determined to be unsatisfactory, he will be notified accordingly and may be returned to his previous classification at any time during the probation period, without loss of seniority. The question of the employee's satisfactory filling of such job shall be subject to the arbitration procedure as provided in this contract.

8.8. Custodians Transferring. Custodians qualified for transfer to an opening in the Laborer classification will, upon transfer, carry their unit seniority with them, and be eligible to bid after sixty (60) days in the Laborer classification.

8.9. Procedure for Filling Vacancies

8.9.1. Posting. Job vacancies will be posted by the Company.

8.9.2. Length of Posting. Job vacancies will be posted for seven (7) working days. Individuals applying for posted openings must submit their interest on the Company approved form to the Internal Staffing Office no later than noon the seventh (7th) day following the end of the posting period.

8.9.2.a. Bid Procedure. Qualified individuals with bid rights to posted openings must submit their interest in writing to the Union Relations Office indicating an interest in a posted job vacancy. The most senior qualified employee who has expressed written interest in the job vacancy will be awarded the job. The successful bidder must remain in the bid position for twelve (12) months.

8.9.2.b. Reduction in Force Transfers. If an employee is transferred due to a reduction in force and an opening occurs in his previous area, such employee will be afforded the opportunity to return provided they express their interest by utilizing the bid process for a one (1) year period. If an employee exercises his bid rights to another area during the one year period, he no longer retains his right to return to his previous area.

8.9.2.c. Transfers. The transfer of the successful bidder will take place within three (3) weeks after the award.

8.9.2.d. Area Surplus (After Bidding). If the Company identifies it has too many personnel in a classification in an area and job vacancies within the same classification exist in another area, those job vacancies will be filled by offering it to the most senior volunteer in the area where the surplus is identified. If there are no qualified volunteers, the low senior employee within the identified area will be forced.

8.9.3. Vacancies Created by Transfers. Vacancies created by transfers of successful bidders, as well as lateral transfers, demotions, or subsequent promotions due to reduction in force, will not be subject to bidding.

8.9.4. Directed Reassignment. The Company shall not require an employee to transfer to a job in another unit. If the Company has identified excess personnel in a classification covered by this working agreement and a full-time regular job vacancy within the Company exists, the vacancy will be offered to the senior qualified volunteer in the classification that has the excess. If there are no qualified volunteers and the low senior employee within the classification is qualified, he will be offered the vacancy. If this employee declines the offer, he will be released from employment. If the offer was not at a wage comparable to the employee's current position, he will receive severance pay in accordance with Article 13. If there is no qualified volunteer and the low senior employee is not qualified, he will be laid off in accordance with Article 8.2.

8.10. Temporary Assignment Due to Radiation Exposure.

Employees may be temporarily reassigned in accordance with the principles of ALARA. In the event an employee's radiation exposure record becomes such that he cannot be permitted to work in areas of radiation for an extended period of time, and the employee is transferred to a cold area, the vacated job would then be filled on a voluntary basis from among employees in that classification in the area to which the employee is transferred. If no one volunteers, the position will be filled by assigning the employee with the least section or unit seniority in the classification and area to which the affected employee was transferred. An employee will return to his former area when his radiation exposure record will permit him to be used for regular work assignments in his permanent area.

8.11. Bidding Procedure Requiring Job Qualifications. It is understood that nothing in this bidding procedure shall be construed to mean that any employee shall be placed in a job for which he is not qualified.

8.12. Assigning Shifts. The Company will assign qualified employees to the available shift or day assignments on an annual or semi-annual time schedule. With respect to the above assignments, the practice will be as follows:

8.12.1. Preference for Shift or Day Positions. The available shift or day positions will be filled by preference of those with the greatest seniority in their classification in a work area. Those exercising their seniority for shift or day positions will remain on the assignment until the next shift bid.

8.12.2. No Preference for Shift or Day Position. If the shift or day positions cannot be filled by preference, it will be filled by Company assignment starting with the lowest qualified employee on the seniority roster in the work area. Those so forced to such an assignment will remain on the assignment until such time as their seniority permits them to move back to their original assigned day or shift position. If a junior employee in the work area becomes qualified for shift or day work in the interim period such junior employee may be forced on shift work, allowing the most senior employee forced to work the assignment the opportunity to return to their previous assignment.

8.12.3. Assignment to Crews. Management will assign successful bidders to the specific crews.

The above shall not be construed to restrict management's rights pursuant to Article 3 of this Agreement. If individual specific needs dictate a change in shift or day assignments, the Company will advise the Union prior to such changes. Management will consider personal preference in the assignment of employees to specific shift crews on a case by case basis consistent with operational needs. Nothing herein is intended to restrict the Union's rights under the grievance procedure, Article 15.

8.13. Standardized Written Tests. The Company in cooperation with the Union will administer standardized written tests, if required, to new hires, recalled employees, and current employees being considered for promotion in connection with the specialist, first and second class maintenance classifications and will give a practical test, if applicable, of a similar nature as given to current employees, to new hires and recalled employees within the first thirty (30) days of employment. Failure by a recalled employee to pass either the written or practical test will not be cause to disqualify him from rehire, but will be used to identify areas where individual training is needed.

8.14. Temporary assignments (Loanouts). Temporary assignments from one area to another, not to exceed one-hundred eighty (180) calendar days, may be made when deemed necessary by the Company. Assignments for less than one (1) full shift will not be considered a loanout, however the hours worked on the assignment will be credited to the individual on the loanout roster.

- At the beginning of each contract year, all temporary assignment hours for each employee in a classification will be reduced by an amount equal to the number accumulated by the employee with the lowest number in a respective area.
- New employees will enter as low on the area roster.
- Employees transferred to an area will be assigned an average number of hours for that roster.

- Temporary assignments will be made no more than two (2) times per work week.
- Temporary assignments will be filled first by volunteers with the lowest accumulated hours; if no volunteers exist, the employee with the lowest hours will be forced.
- Temporary assignments exceeding thirty (30) days will be discussed with the Union.

8.14.1. Reporting. In all cases of temporary assignment, the employee will be responsible for reporting to work at his temporary work area at the scheduled time of his shift.

8.15. Area Preference Bids. Annually, Medical, Mail Room, Cafeteria, Micrographics, and Printing personnel will have the opportunity for area preference bids.

ARTICLE 9

WAGES AND CLASSIFICATIONS

9.1. Wages.

Effective July 13, 1998:

All employees covered by this agreement whose wage rates are equal to the current base rate will receive a 2.50% GWI (see Exhibit A).

Red-circled employees will receive a 2.50% increase based on their red-circled rate. If the 2.50% increase results in an employee's base rate exceeding the 1998 rate, that portion of the 2.50% increase above the 1998 rate will be annualized, based on 2080 hours, and given to the employee as a wage supplement.

Effective May 31, 1999:

All employees at the 1998 rate will receive a 2.50% GWI (see Exhibit A).

Red-circled employees will receive a 2.50% increase based on their red-circled rate. If the 2.50% increase results in an employee's base rate exceeding the 1999 rate, that portion of the 2.50% increase above the 1999 rate will be annualized, based on 2080 hours, and given to the employee as a wage supplement.

Effective May 29, 2000:

All employees at the 1999 rate will receive a 2.50% GWI (see Exhibit A).

Red-circled employees will receive a 2.50% increase based on their red-circled rate. If the 2.50% increase results in an employee's base rate exceeding the 2000 rate, that portion of the 2.50% increase above the 2000 rate will be annualized, based on 2080 hours, and given to the employee as a wage supplement.

Effective Last Week of May, 2001:

All employees covered by this agreement will receive a payment of one thousand dollars (\$1,000.00) less applicable legal withholdings.

Effective May 27, 2002:

All employees at the 2001 rate will receive a 2.50% GWI (see Exhibit A).

Red-circled employees will receive a 2.50% increase based on their red-circled rate. If the 2.50% increase results in an employee's base rate exceeding the 2002 rate, that portion of the 2.50% increase above the 2002 rate will be annualized, based on 2080 hours, and given to the employee as a wage supplement.

9.2. New Jobs. Each new job created within the bargaining unit will be given a classification, organization status, and wage rate equitable with those shown on Exhibit "A." The Company shall give the Union advance notice of a classification and shall afford the Union reasonable opportunity to discuss with the Company the rate which

should be established. Within thirty (30) days after the establishment of such job rate, if agreement cannot be reached on the job rate, the Union may file a grievance about the rate that the Company has established. Such action on the part of the Union will not preclude the interim filling of the job at the rate established by the Company.

9.3. Work in a Higher-Paid Classification. If an employee is temporarily assigned to a job classification having a higher hourly rate than the rate of his regular classification, for other than training purposes, he shall receive the hourly rate of pay of the job classification to which he is temporarily assigned for the hours actually worked in that classification, or two (2) hours whichever is greater.

9.4. Work in a Lower-Paid Classification. If an employee is assigned temporarily by his supervisor to perform work in a lower classification, no reduction in rate shall be made.

9.5. Rate of Pay upon Promotion. An employee promoted to a higher job classification shall be paid at the rate of that classification beginning with the first full day of that work.

9.6. Pay Days. Payment of compensation shall be made biweekly.

ARTICLE 10
SHIFT DIFFERENTIAL

10.1. Shift Differential Rates.

10.1.1. Rotating Shifts. Employees assigned to a rotating shift on a full-time basis will receive a differential of \$.55 per hour for all hours worked.

10.1.2. Fixed or Alternating Shifts or Shift Relief Workers. Employees assigned to a fixed or alternating shift on a full-time basis or shift relief workers will receive a shift differential of \$.75 per hour for all hours worked on the evening shift (4 p.m. to 12 midnight) and a shift differential of \$1.00 per hour for all hours worked on the night shift (12 midnight to 8 a.m.).

10.1.3. Shift Workers on Overtime. Overtime rates will be computed at one and one-half (1-1/2) times the sum of the regular base rate and any applicable shift differential.

10.2. Day Workers. Regular day workers who are required to work overtime or perform call-in work shall not be entitled to shift differential.

10.3. Restricted Application of Shift Differential. Shift differential will apply only to hours worked. For example: Shift differential will not be paid during vacations, holidays not worked, or other absences from work.

ARTICLE 11

HOLIDAYS

11.1. Holidays.

11.1.1. Schedule. Employees will be eligible for eighty (80) hours of holiday per year observed under the Company's annual holiday schedule.

11.1.2. Holiday Pay Reconciliation. Employees will have a holiday pay reconciliation at the end of each calendar year to ensure they are paid no more or less than 80 hours prorated on the basis of the number of holidays for which they were entitled.

11.2. Pay for Holidays. Employees will receive straight time pay for all their scheduled holiday hours whether worked or not. Employees will also receive time and one-half (1-1/2) for all hours worked on a holiday, including applicable shift differential.

11.2.1. An employee whose last scheduled workday on a forty-eight (48) hour work week falls on a holiday will be permitted to code all overtime hours in excess of forty (40), that are actually worked on the holiday, on the last scheduled work day prior to the holiday.

11.3. Holiday Pay Restrictions. Pay under Sections 11.2 above is not applicable to those employees on leaves of absence, inactive status, and unapproved absence. An employee who is off work in another paid leave status shall receive his daily straight time base pay for the appropriate holiday hour schedule in lieu of any other paid leave benefits.

11.4. Pyramiding of Holiday Premium. There will be no pyramiding of holiday premium and overtime premium for hours worked on a recognized holiday. All overtime hours worked by an employee on a recognized holiday will be paid at the standard holiday premium rate of one and one-half (1-1/2) times.

11.5. Holiday Curtailment. The Company may have a holiday curtailment during the Christmas/New Year time period, which will be mandatory for all non-essential workers. During the holiday curtailment, employees not required to work will need to record either personal leave or “O” time (unpaid leave) to cover any hours above the yearly allotted eighty (80) hours.

ARTICLE 12

PREMIUM PAY

12.1. Call-Out Pay. Whenever an employee is called out to work outside his regular schedule, the employee shall receive a minimum of four (4) hours pay at the Site or two (2) hours pay for town at one and one-half (1-1/2) times. It is understood that this provision does not apply in cases where the employee is held over beyond his scheduled quitting time, nor where he is called in and works through to his scheduled starting time. When an employee is called out to work regularly scheduled hours on a holiday after having been advised he would not be required to work such scheduled holiday hours, the employee shall receive pay for the actual hours worked as provided for in Article 11. Such call-outs shall not be construed as schedule changes.

12.1.1. Transportation. When transportation is not available, and an employee is authorized by the Company to drive a privately-owned vehicle, the employee shall receive the mileage rate allowed employees of the Company by DOE for the miles necessary to travel from home to work and back home. The Company shall not require an employee to transport other employees in his privately-owned vehicle.

12.2. Reporting Pay. Whenever an employee reports for work at his regular starting time, without previously having been told not to report, he shall be guaranteed four (4) hours work. If the Company should fail to provide the expected four (4) hours work, then the employee shall be paid for four (4) hours at his regular base rate.

12.3. Reactor Certification/Qualification Differential (TRA Area).

12.3.1. Maintenance Employees. Employees assigned to work at ATR and required to qualify and maintain qualification as reactor maintenance support personnel as defined in the TRA Training Program Manual will receive seventy-five (\$.75) cents per hour qualification differential (except red-circled employees).

12.3.2. TRA Senior Reactor Auxiliary Operator (SRAO). SRAOs assigned on a regular full-time basis work at ATR will be required to certify and maintain certification as defined in the TRA Training Program Manual, ATR certification/recertification program schedule. SRAOs who qualify will receive a certification differential of \$1.30 per hour.

12.3.2.a. Lead Senior Reactor Auxiliary Operator (LSRAO). SRAOs who qualify initially as LSRAO will receive forty-five (\$.45) cents certification differential. SRAOs standing watch as LSRAO will receive an additional thirty-six (\$.36) cents plus the current rate of lead upgrade.

12.3.3. Applicability of Differentials. The above qualification or certification differentials as applied to ATR Maintenance or Operations will be paid for regular straight time and overtime hours and paid holidays and personal leave hours. The differentials (except those in Article 12.3.2.a.) will not be included in the computation of retirement or investment plan benefits however.

12.3.4. Forfeiture of Differentials. Operations or Maintenance employees that fail to recertify or requalify in accordance with the TRA Training Program Manual will forfeit all further certification/qualification differentials until they successfully recertify or requalify.

ARTICLE 13

SECURITY PLANS AND BENEFITS

Qualified employees are eligible to participate in the following INEEL benefit programs:

Personal Leave

Medical Plan

Dental Insurance Plan

Vision Insurance Plan

Health Care Flexible Spending Account

Dependent Day Care Flexible Spending Account

Employee Life Insurance

Spouse Life Insurance

Dependent Children Life Insurance

Accidental Death and Dismemberment Insurance

Short -Term Disability Insurance

Long -Term Disability Insurance

Workers Compensation

Long - Term Care Insurance

Service Awards

Leaves of Absence

Retirement Plan

Investment Plan

Holidays

Severance Pay

All security plans and benefits arranged by the Company for its employees, as a whole, will be available to employees covered by this Agreement and will be administered equally, including that portion of the cost paid by all employees.

The Union will be informed in advance of any additions or substantive changes to, or deletions from, the benefit programs.

ARTICLE 14

LEAVES OF ABSENCE FOR UNION BUSINESS

14.1. Leave of Absence for Employment by Union. Any member of the Union shall be granted leave of two (2) years or less from his employment with the Company for the purpose of accepting employment with the Union. The request for leave shall be in writing and shall state the purpose for which it is made and that the employee intends to apply for reinstatement to his job. Application for reinstatement, if made thirty (30) days or more prior to the end of the leave period, will be considered and accepted on the following conditions:

14.1.1. Physical Condition. His physical condition continues to permit him to perform the essential job functions of his prior job. Physical examinations shall be made by the Medical Division of the Company immediately prior to leave and upon reinstatement. In the event of a dispute as to the employee's ability to perform essential functions of his prior job, such dispute may be resolved at the discretion of the employee or the Company in accordance with the provisions of Article 20, Subsection 20.4.

14.1.2. Security Requirements. Prior to reinstatement, the employee shall meet the applicable security requirements.

14.1.3. Seniority Retention. The employee, upon reinstatement, will reenter his former classification and will be accorded the same seniority as though he had not gone on leave.

14.1.4. Benefits. With respect to benefits, such employee shall be accorded the same rights and privileges as are provided an Administrative Leave absentee.

14.1.5. Limits on Number of Employees on Leave. This Subsection shall not be applicable to more than three (3) employees at any one time but no more than one (1) from any area or classification unless mutually agreed upon. When any three (3) members of the Union are on such leave, the terms of the Section shall be suspended as to all other members.

14.2. Leave of Absence to Conduct Union Business. If plant conditions permit, leaves of absence aggregating not more than one hundred fifty (150) calendar days, excluding the Local Union President's time, per calendar year will be granted during the period of this Agreement, provided that not more than five (5) employees shall be granted simultaneous leaves and that not more than one (1) employee from each area shall be granted simultaneous leaves. Where circumstances occur and plant conditions permit, management will consider simultaneously releasing more than the number of employees specified above, or extending the limit on aggregate calendar days.

14.2.1. Requests for Leave. All requests for such leave will be given to Union Relations in writing as early as possible during the week prior to the week in which the leave is requested. This written request will indicate the date(s) the employee(s) desire to leave and return. Such leaves of absences shall be without pay, but shall not affect the status of employees with respect to service benefits or seniority.

ARTICLE 15
GRIEVANCE PROCEDURE

15. Grievance Process. Any grievance and/or difference of opinion which involves application or interpretation of the terms of this Agreement or any other matter respecting conditions of employment shall be handled in the following manner:

15.1. Step 1. The employee and/or Union representative shall present the complaint either verbally or in writing to the employee's immediate supervisor within ten (10) days of knowledge of occurrence of the grievance and advise the supervisor that such complaint is being filed as a grievance under Step 1 of this Article, except that grievances involving discharge or disciplinary suspension will be filed according to the provision outlined under Subsection 15.6. of this Article.

15.2 Step 2. The supervisor shall render his decision within five (5) working days after presentation.

15.3 Step 3. Failing to reach a satisfactory understanding or adjustment with the supervisor, the grievance may be presented in writing within ten (10) days of the supervisor's decision to the next level of supervision. The employee and/or Union representative and that supervisor will date and sign such a written grievance documenting that a discussion has occurred and forward the written grievance to Union Relations. This step can be bypassed if supervisory signature can not be obtained.

15.4 Step 4. The written grievance shall be considered at the next monthly meeting with the Workmen's Committee. However, a special meeting may be called by mutual agreement at any time. If the grievance is presented by the Union, and a satisfactory understanding or adjustment is not reached in the Workman's Committee meeting, the Union may request a written response from the Manager of Union Relations. The Manager shall render to the Union the Company's decision in writing within fifteen (15) days of such request.

15.5. Arbitration. If the decision of the Manager of Union Relations is not satisfactory and if the dispute involves the application or interpretation of this Agreement, such dispute may be submitted to arbitration. If the Union desires to submit such dispute to arbitration, it will so notify the Manager of Union Relations in writing within thirty (30) days from the date of his decision. Together with such notice, or at any time subsequent prior to the arbitration, the Union or Company may request that a pre-arbitration meeting be held at a mutually agreeable time and place in an attempt to resolve the dispute. Neither party shall unreasonably refuse such a request. Attendance at the pre-arbitration meeting shall normally be limited to three persons each from the Union and the Company. If the dispute is submitted to arbitration, the parties shall, within ten (10) days, join in a request to the Federal Mediation and Conciliation Service to submit the names of five (5) arbitrators. Upon refusal of either party to join in such a request, the other may make the request. The Union and the Company shall alternately strike a name from the list (the first to strike shall be determined by lot) until the name of one individual remains. The remaining individual shall be the sole arbitrator of the question involved. Upon refusal of either party to strike names, the Federal

Mediation and Conciliation Service may, upon request of the other party, appoint an arbitrator. The arbitrator's decision shall be final and binding on both parties. The arbitrator shall not have the power to add to, disregard, or modify any of the terms of this Agreement. The fees and expenses of the arbitrator shall be borne equally by the Union and the Company. If either party requests a court reporter, the court reporter's record will be the official record of the proceedings. The requesting party will pay the cost of the court reporter, and should the other party desire a copy of the proceedings, they should request and pay for same from the reporter. Upon mutual agreement of the Company and the Union, videotaping of the proceedings may be allowed. Not more than one (1) case at a time may be submitted to an arbitrator except by mutual agreement.

15.6. Discharge or Disciplinary Suspension. In the event of discharge or disciplinary suspension, if the individual concerned believes he has been discharged or suspended without just cause, he may present the matter in writing to the Manager of Union Relations within five (5) days from the time of such discharge or disciplinary suspension and not thereafter. At the time of such disciplinary action, the cognizant Union official will be notified.

Within ten (10) days after such matter is presented to the Manager of Union Relations, he or his designated alternate will render a decision in writing. If the parties remain in disagreement at the conclusion of the foregoing steps, such complaint may be presented through the regular arbitration procedure starting with Subsection 15.5 of this Article.

15.7. Communicating to the Company. Subject to the procedure set out above, nothing in this Article shall prevent any employee from individually presenting complaints, suggestions, questions, or requests to the Company.

15.8. Lapsed Time. Lapsed time references in this Article are calendar days, excluding Saturdays, Sundays, or holidays. The date of occurrence shall not be counted and days start at 12:01 a.m.

15.9 Waiver of Time Limits. Upon mutual agreement of the Company and the Union, the waiver of time limits on a case-by-case basis does not constitute a precedent or permanent waiver of time limits.

ARTICLE 16

UNION COMMITTEE AND EMPLOYEE REPRESENTATION

16.1. Area Representatives. Area Representatives, Unit Representatives and Stewards shall be selected from among the employees in the bargaining units in accordance with Local 2-652 Constitutional By-Laws. The Union will furnish to the Company a current list of representatives as changes occur.

16.2. Committees.

16.2.1. Area Workmen's Committees. Workmen's Committees normally made up of four (4) members each from the Union and the Company will be established in each of the six (6) areas as defined in Article 20.12. The meetings will be co-chaired by a Union representative and a representative from Union Relations. Committee composition will be mutually agreed to before each meeting by the co-chairmen. As a general guide, the meetings will be attended by the area representatives and unit representatives having business at the meeting. The committee will meet monthly at mutually agreed upon times and places unless waived by both parties. The purpose of these meetings shall be resolution of individual or mutual problems/questions and grievances arising under this Agreement pertaining to the specific area the committee represents. Committeemen shall not lose pay for time scheduled to have been worked by reason of attending these meetings.

16.2.2. General Workmen's Committee. A General Workmen's Committee shall be established. The committee shall consist of up to six (6) area representatives and be co-chaired by the Union President and the Manager of Union Relations. The committee will meet at mutually agreed upon times and places for the purpose of discussing contractual problems/questions, policy-level grievances, and grievances pending arbitration. At the request of either party, appropriate management representatives will attend these meetings. Committeemen shall not lose pay for time scheduled to have been worked by reason of attending these meetings.

16.2.3. Labor Management Committee. Upon mutual agreement, a Labor Management Committee may be established in each area to discuss and resolve non-contractual issues and concerns. The committee will consist of senior management and Union representatives from the respective areas. The committee will be co-chaired by a senior management representative from the area and the Union representative responsible for that area. At the request of either party, appropriate management representatives will attend these meetings. Committeemen shall not lose pay for time scheduled to have been worked by reason of attending these meetings.

16.2.4. Contract Negotiating Committee. A Bargaining Committee consisting of the local President and up to ten (10) representatives shall be established to conduct negotiations with the Company. The Company will pay the difference between time actually spent in negotiations and the regular straight time wages that coincide with the employees' work schedules and are exclusive of

scheduled days off up to a total of ten (10) hours per day or forty (40) hours per week excluding mutually agreed upon breaks.

16.3. Time Provided for Union Representatives to Confer on Matters of Employee Relations. Union representatives and other employees, with approval of the Company, may be permitted to confer during the employee's working hours with Company representatives on matters relating to employer-employee relations without loss of pay for time scheduled to have been worked.

16.4. Time Provided to Handle Grievances. Stewards or members of the Area Workmen's Committees may leave their jobs without loss of pay for the purpose of assisting in the handling of grievances in their area upon approval of their supervisor. It is further agreed that the supervisor shall not withhold permission where working conditions permit and that only those stewards or members of the Workmen's Committee with direct involvement shall participate.

16.5 Guidelines for Ad Hoc Committees. The parties agree to the following guidelines:

1. Represented employees selected to be on the committee shall be agreed upon by both the Company and the Union. Agreement by either party will not be unreasonably denied.
2. Represented employees on the committee shall have the same membership privileges and responsibilities as all other members.

3. If the Company and the Union mutually agree to a co-chair arrangement, both the Company and the Union representative will have equal authority as chairpersons.

4. Clear guidelines shall be established and agreed upon for the committee's activities. These should include a mission statement and key goals and/or milestones.

These guidelines are not intended to restrict shop or specific work area groups from developing recommended solutions to issues arising in the workplace.

ARTICLE 17

BULLETIN BOARDS

The Company will continue to provide locked bulletin boards in conspicuous places. It is agreed that no posted material will reflect against or discredit the Company or any individual employee.

ARTICLE 18

APPRENTICESHIP PROGRAM

18.1. Apprenticeship Program Established. The Apprenticeship Program shall be a part of this Working Agreement.

18.2. Apprenticeship Program Defined. An employee in the Apprenticeship Program shall be considered to be a member of his respective unit and shall accumulate unit seniority from their date of hire. During the first twenty-four (24) months of an employee's apprenticeship, he shall not be affected by layoffs affecting journeymen classifications except at management's discretion. When an employee's time in his apprenticeship exceeds twenty-four (24) months, he will be affected by a reduction in force within their craft line if such reduction would cause the ratio of one (1) apprentice for each five (5) journeymen remaining in a craft line to be exceeded. (Let it be noted that any time given for prior experience shall be deducted from the apprentice's protection period as described above.) If an apprentice is reduced from the Apprenticeship Program under this latter circumstance, then such affected apprentice shall be reduced to his former classification or be laid off based upon his unit seniority.

18.3. Apprentice Progression Testing and Seniority. An apprentice shall begin accruing section seniority on the first day of his apprenticeship. Any apprentice that fails to pass one (1) of the six (6) month progression tests or the final test will lose six (6) months of section seniority. Failure to pass either a second (2) six (6) month

progression test or the final test for a second (2) time will result in immediate termination of his apprenticeship. Only one (1) six (6) month extension will be permitted throughout the term of his apprenticeship. Because of the unique nature of operations and apprentice's requirements to qualify and/or certify on their particular processes, specific guidelines regarding their progression testing and related penalties will be established by the Joint Apprenticeship and Training Committee (JATC). It is understood that time spent on layoff and/or regression to the Laborer classification shall be credited toward the original term of apprenticeship as may be deemed appropriate by the Joint Apprenticeship and Training Committee (JATC). Upon successful completion of the apprenticeship program by an apprentice, he/she will be placed on the seniority roster as a journeyman in his/her respective classification.

18.4. Apprentice Compliance with Working Agreement.

Apprentices will be subject to the provisions of this Working Agreement as apply to employees in their respective units except that any actions of the Apprenticeship Committee that may affect the apprentice shall not be subject to the provisions of Article 15, Grievance Procedure.

18.5. Preferential Consideration for OCAW Represented

Applications. Current OCAW represented regular employees shall be given first consideration for apprenticeship openings within the classifications covered by this Agreement provided that applicants meet the minimum requirements of the apprenticeship program.

18.6. Apprenticeship Oversight. Participation and oversight in craft apprenticeship programs will be provided and supported by the craft support department. The Utilities Department will control and provide oversight over the utilities apprenticeship programs. Additional support and oversight will be provided for the total administration of the apprenticeship program, including placement of apprentices.

ARTICLE 19

HEALTH AND SAFETY

19.1. Importance of Health and Safety in the Work Place. The Company and the Union recognize the importance of maintaining a safe working environment, providing applicable health and safety training, promoting occupational health and accident prevention, and the general elimination of hazards to health and safety in the work place. Recognizing that safety is a joint responsibility, both parties acknowledge the Union Health and Safety Representative and commit to comply with the provisions of the INEEL Worker's Bill of Rights.

19.2. Company Compliance. The Company will continue to make provisions for the health and safety of employees while at work and agrees to comply with applicable federal laws and DOE rules and regulations pertaining to the health and safety of employees covered by this Agreement.

19.3. Employee Compliance. All employees shall cooperate by following safe work practices and complying with health and safety rules during employment, the proven violation of which shall be cause for disciplinary action. Conversely, nothing in this Health and Safety Article is intended to take away the right of the employee to process complaints through the grievance procedure as provided for in Article 15.

19.4. Union Safety Representation. There will be an area employee safety team established in each specific area to serve as a forum to provide input for an effective accident prevention program, to discuss effective solutions to safety problems, to recommend corrective measures to eliminate hazards, and to review significant operating occurrences and other accident and injury reports. As required, each team's scope may include on-site inspections. The team will select the chair and Health and Safety will be represented. The Union will appoint no less than two (2) team members or one (1) team member for each ninety (90) represented employees in the specific area to serve on the area team. The team will meet monthly.

19.4.1. Time Allowed for Safety Meetings. No Union representatives from within the Company shall lose time or pay from their respective work schedule by reason of attending a meeting provided for under this Article.

19.4.2. Safety Meeting Minutes. Joint minutes will be recorded of all such meetings and copies distributed to both Union and management representatives.

19.4.3. Union Participation at Major Accident Investigations. A Union representative may participate, up to report submittal, on major (Type A or B) accident investigations conducted by the Company which affect a Union member. The representative shall receive all reports covering the investigation.

ARTICLE 20

MISCELLANEOUS

20.1. Discrimination. There shall be no discrimination between employees within these bargaining units with respect to any conditions of employment because of membership or nonmembership in the Union or because of age, race, creed, religion, national origin, gender, veteran status, or disability. References in the working agreement to he, him, and his include the female gender and are not references to gender.

20.1.1. Compliance with the Americans with Disabilities Act. The parties acknowledge that they are subject to and intend to abide by the requirements of the Americans with Disabilities Act (ADA). The Union and the Company specifically acknowledge that reasonable accommodations, as defined by the ADA, may include but are not limited to part-time or modified work schedules. Time required by such an individual for physical therapy, rehabilitation, extended rest periods and the like shall not be compensable time unless covered under Article 13.

20.2. Union and Anti-Union Activity. Except as allowed by this Agreement, Union or anti-Union activities during work time will not be permitted nor shall such activities be permitted that interfere with work performance.

20.3. Strikes and Lockouts. There will be no sympathy strike, work stoppage, slowdown or sitdown by the employees covered under this Agreement or lockouts by the Company during the term of this Agreement. If any such action is taken by an employee or employees covered by this Agreement, the Union shall exercise its responsibility to end such action.

20.4. Physical Examinations for Determining Fitness for Duty.

The INEEL Occupational Medical Program (OMP) industrial physicians are responsible for performance of medical evaluations on INEEL employees to determine their ability to perform assigned tasks and identify work restrictions in accordance with DOE orders. If, after consultation between the INEEL OMP industrial physician and an employee's personal physician and/or a recognized physician specialist as applicable, there exists a dispute between the Union and the Company as to the physical fitness of an employee to return to work or to continue to work at his regular job assignment, a board of three (3) accredited doctors of medicine shall be selected: one (1) will be an INEEL OMP industrial physician, one (1) selected by the Union, and one (1) by the two (2) so-named physicians. The decision of the majority of this board shall be final. In the event the INEEL OMP industrial physician and the physician selected by the Union cannot reach consensus within ten (10) days in the selection of the third (3rd) physician, the matter shall be referred to the Idaho State Industrial Commission, who shall appoint a third (3rd) Doctor of Medicine in a specialty related to the employee's impairment. Opinions and decisions of a majority of the three (3) doctors shall be final and binding. The Company shall bear the expense of the INEEL OMP industrial physician and one-half (1/2) of the expense of the

third (3rd) Doctor of Medicine. The Union shall bear the expense of the Doctor of Medicine of the Union's choice and one-half of the expense of the third (3rd) Doctor of Medicine. The Company and the Union shall also share equally the cost for any additional tests and/or evaluations beyond any insurance covered costs the board of doctors unanimously agree are necessary to support its charter.

20.4.1. Confidentiality. The confidential character of all employee medical records, including the results of health examinations, shall be rigidly observed by all members of the Occupational Medical Program staff. Such records shall remain in the exclusive custody or control of the Occupational Medical Department. Disclosure of information from an employee's health records shall not be made without his or her consent, except as permitted by law.

20.5. Warning Notices or Employee Ratings. Any unsatisfactory report or rating which is to be filed as a matter of record shall be filed within thirty (30) calendar days of knowledge of the occurrence and shall be brought to the attention of the employee within said period excluding days the employee is off work on approved leave. The employee shall be given two (2) copies of such notice. The employee shall sign such notice indicating that the matter was brought to his attention but his signature does not imply concurrence. If an employee requests Union representation during matters discussed under this subsection, the steward or designated alternate will be in attendance. Bargaining unit personnel will be treated consistently with other Company employees under management procedure(s) governing disciplinary action. Warning notices (AVO's) and

Employee Performance Notices (EPN's) will, as a matter of record, be kept in the official personnel file maintained by Human Resources.

20.5.1 Removal of Warning Notices. Warning notices (AVOs) are documented verbal reprimands and shall remain in an employee's file for at least twelve (12) months. After twelve (12) months the employee may request the warning notice be removed from his file. If there has been no further disciplinary action, the notice will be removed.

20.5.2. Removal of Employee Performance Notices. Employee Performance Notices (EPNs) are second step documented reprimands or documented disciplinary action for more serious employee deficiencies. Such notices shall warn employees that further reoccurrence may result in further disciplinary action, including dismissal, and will remain in an employee's file for at least eighteen (18) months. After eighteen (18) months, the employee may request the notice be removed from his file. If there has been no further disciplinary action, the notice can be removed with the concurrence of the employee's supervisor and the Manager of Employee Relations, but will not remain in the file beyond two years unless further disciplinary action has been noted.

20.6. Bus Transportation Delay. Bus Transportation to the Site is not a guaranteed service. However, no employee shall lose scheduled time or pay, (including shift differential) because of bus transportation delay. Other transportation delays shall be considered on an individual basis.

20.7. Standing of this Agreement. This Agreement contains all subject matter and stipulations agreed upon between the parties and no amendments or modifications to this Agreement can be made except when mutually agreed upon in writing by both parties.

20.8. Training Opportunities. The Company will provide equal opportunity for all employees of comparable standing within a given classification to learn duties and responsibilities of the next job for which they are to become qualified. All employees will, insofar as practicable, provide on-the-job training and assist lower classified and/or less experienced employees in acquiring job knowledge.

20.9 Non-Represented Employees Doing Work. The Company agrees that there shall be no erosion of the bargaining units by the assignment of tasks performed by bargaining unit employees to non-bargaining unit employees. Non-represented employees will not perform work on any bargaining unit job except where such work is considered minor maintenance or adjustments. Examples of such tasks include changing indicator bulbs and changing ink and pens on recorders. The minor maintenance or adjustments are not intended to infringe upon the jurisdiction of the Union, but are needed in order to operate the facilities economically to the betterment of both parties. It is not the intent of the Company to use non-bargaining unit employees to perform major tasks performed by members of the bargaining unit.

Exceptions to this are as follows: (1) in emergency situations (unforeseen circumstances which require immediate action); (2) in the instruction of employees to perform their responsibilities under normal and/or emergency situations; (3) in training of supervisors and

instructors on equipment or processes to allow them to maintain qualifications; (4) in new or specialized work which requires special techniques and knowledge and bargaining unit employees are not qualified; (5) in the performance of necessary work when production difficulties are encountered on the job. (Production difficulties means those difficulties requiring supervisor assistance. In these cases, bargaining unit employees assigned to the equipment or process will be present while the work is performed.); (6) to allow properly qualified planners or facility inspection personnel access to equipment for the purpose of identifying and planning maintenance work (access shall be in accordance with all applicable safety procedures and be limited to removal of access inspection covers for visual inspection only without touching or manipulating internal components); and (7) to provide short periods (less than thirty [30] minutes) of relief when no represented employees are available.

In the event of disputes concerning such work assignments, the Company will meet with Union representatives to discuss and resolve such disputes.

20.10. Special Provisions

20.10.1. Clothing and Small Tools. The Company will continue to furnish tools, equipment, clothing and other protective/safety apparel and devices as necessary. Where personal clothing of such employee is destroyed (while performing his duties) by acids, caustics, or chemicals under circumstances where the employee was not negligent in failing to use protective clothing, full monetary compensation will be made for such clothing. Each

employee will be required to exercise due diligence and account for all tools and equipment issued to him, and for failure to do so may be charged with the value thereof. If an employee's personal clothing becomes contaminated with radioactive matter to an unsafe degree, the employee will surrender his contaminated clothing. The employee's contaminated clothing will be returned to the employee when and if it becomes safe again and the employee will then, upon the Company's request, return the clothing which he previously received from the Company. If after confiscation of an employee's personal clothing it is deemed unsafe ever to return them, full replacement compensation will be made to the employee. Coveralls will be provided upon request where it is reasonable and practical in the opinion of the Company.

20.10.2. Cafeteria Meals. A meal shall be furnished for each cafeteria employee for the shift which he works.

20.10.3. Health and Medical Unit. Personnel required to wear a uniform shall use the Company reimbursement procedure (limited to \$250 annually for purchasing medical uniforms). Employees in this category will be required to wear uniforms that comply with those requirements mutually agreed upon by the medical department bargaining unit employees and management. Approved uniform requirements will be posted in each of the clinics, and updated as needed.

20.10.3.a. Part-Time Medical Employees. Part-time Health and Medical Unit employees shall receive an annual clothing allowance equal to one-half (1/2) the annual allowance for full-time employees.

20.11. Bargaining Unit Work in a Pilot Plant Environment. It is the intent of the Company to use bargaining unit personnel in experimental and developmental activities such as take place in the pilot plant and in experimental laboratories to the extent the Company deems practical. It is recognized that when assigned to such activities, employees may be required to do a variety of duties and supervisors, technicians and professional personnel may from time to time, and in some cases over an extended period of time, perform work of a similar or, in some cases, physically identical nature to those performed by bargaining unit personnel. When a pilot plant makes the transition from purely experimental and developmental to a production plant, it is intended that bargaining unit personnel will perform work for which they are qualified and which historically has been performed by bargaining unit personnel.

20.12. Areas as referred to in this Agreement. It is generally agreed that there are six (6) areas defined as: (1) CPP, (2) TAN, (3) TRA, (4) CFA/IF, (5) RWMC, and (6) PBF, WERF, WROC.

The following modifications apply:

- (1) Utility Operations will constitute an area, except that area assignments will be recognized for TAN, CPP, and CFA.
- (2) Power Operations will constitute an area INEEL-wide.
- (3) Radiological Technicians will consider CFA/IF, PBF, WERF, and WROC as a combined area.
- (4) Medical, Mail Room, Micrographics, and Printing will have CFA and IF as separate areas.
- (5) Waste Handling Technicians constitute an area INEEL-wide.

20.13. Temporary Hire. The Company may hire employees for work of a temporary nature which shall not exceed one-hundred eighty (180) days per year. Extension of a one-hundred eighty (180) day assignment can be made upon mutual agreement between the Company and the Union. The following applies:

1. Temporary employees shall be paid the wages established by the collective bargaining agreement for the classification they are performing.
2. While employed, temporary employees shall be considered for job openings with the Company in classifications which they worked at LMITCO after full-

time employees on the recall list and full-time employees with 3161 preference.

3. Temporary employees shall be represented by the Union except that termination of an employee's service shall not be subject to the grievance and arbitration procedure. Temporary employees in the bargaining unit are entitled to participate in LMITCO benefit programs in the same manner as all other temporary employees at LMITCO.
4. Before hiring a temporary employee(s) the Company will consider qualified laborers in the bid area where the need exists with the appropriate upgrade preference for the position. If there are no qualified laborers in the area of need, the Company will consider qualified laborers with the appropriate preference from CFA first and then, if practical, from other bid areas.
5. Represented employees who have been laid-off, and still have recall rights under 8.3, will have the first opportunity to fill temporary positions as temporary hires provided they are qualified for the temporary positions.

20.14. Shift Relief Worker Bid. Where the need has been recognized by both the Union and the Company, shift relief worker positions will be selected by the bid process.

20.15. Functional Teams. The Union and the Company recognize that improved safety performance, efficiency and/or cost savings may be realized by allowing functional teams to work site-wide. Examples of existing functional teams are base freight, insulation and asbestos abatement, locksmiths, roads and grounds, hoisting and rigging, power management, etc.

20.15.a. Additional functional teams may be established following a discussion with the Union regarding proposed improvements in safety performance, efficiency or cost savings.

20.15.b. Preference for and assignment to individual functional teams within the area will be done annually. The senior preference will be assigned to the team provided an incumbent from the team opts off. Changes to the team will be made so that there is minimal disruption to the team. Preference for functional team assignments will be based on senior volunteer, and if no volunteer, junior assigned, from the area where the functional team is established.

20.15.c. Functional team members are exempt from temporary assignment, utilization and upgrade outside the team while work exists for their classifications on a functional team. However, both parties recognize that when a functional team member's particular skills and training are not needed, he will be eligible for loanout.

ARTICLE 21

VALIDITY

21.1. Contract Subject to DOE Directives. It is understood and agreed that the Company's operations are subject to certain prevailing authorities, including the Company's Management and Operating Contract with the Department of Energy (Contract DE-AC07-94ID13223), the Orders and Directives of said Department and all valid and applicable State and Federal laws. Therefore, the parties intend that this Agreement will be construed in a manner consistent with the prevailing authority. If any provision of this Agreement is or becomes inconsistent with a prevailing authority, the prevailing authority will prevail. Nevertheless, any such inconsistent provisions of the Agreement shall be separable and the remaining provisions shall remain in full force and effect. The parties shall meet for the purpose of negotiating a mutually satisfactory substitute provision if either party demands such a meeting within thirty (30) days of the identification of an inconsistent provision.

ARTICLE 22

TERM OF AGREEMENT

22.1. Terms. This Agreement shall become effective 12:01 a.m., (Day After Ratification), and shall remain in effect through 12:00 midnight, May 31, 2003, and shall continue in effect thereafter unless and until either party shall give at least sixty (60) days, but not more than ninety (90) days prior notice, in writing of its desire to terminate or amend this Agreement. Such term shall not in any case extend beyond the term of LMITCO's contract with the Department of Energy (Contract No. DE-AC07-94ID13223) as may be terminated, modified or extended.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by their duly authorized representatives this _____ day of _____.

By:

Julie Holzer
OCAW International Rep.

D. H. DeTonancour, President

B. R. Long, V. Pres.

L. D. Brittain, V. Pres.

J. F. Cloward
CFA Area Rep.

A. B. Clapp
Manager
CPP Area Rep.

By:

T. E. Heiserman, V. Pres.
Human Resources

E. B. Tycz, Manager
Union Relations

E. D. Teuscher, Rep.
Union Relations

B. T. Hobbs, Rep.
Union Relations

W. B. Engel, Rep.
Union Relations

B. H. Hamilton, Deputy General
Nuclear Operations

S. A. Conan
PBF/WERF/WROC Area Rep.

P. S. Yela, Director
Fac/Util/Maint

W. E. Kobayashi
RWMC Area Rep.

D. N. Whittaker
Facility Services

D. D. Christensen
TAN Area Rep.

F. J. Miceli, Manager
Maintenance Operations

S. C. Frongner
TRA Area Rep.

R. E. Korenke, Representative
Environmental Management

S. P. Hovey
Sec/Treasurer

W. C. Craft III, Supervisor
Rad Con Technicians

B. D. Smith
RCT Rep.

K. Stanger, Manager
Scientific & Technology
Information Services

EXHIBIT "A"

WAGE/CLASSIFICATION

	Current	Effective	Effective	Effective	Effective	Effective
		Effective				
	Base Rate	7-13-1998	5-31-1999	5-29-2000	Last Week	5-27-
						2002
						of May
						2001
Chef	16.74	17.16	17.59	18.03	18.03	18.48
First Cook	15.59	15.98	16.38	16.79	16.79	17.21
Production Cook	14.33	14.69	15.06	15.43	15.43	
	15.82					
Cook	13.19	13.52	13.86	14.20	14.20	14.56
Grid Cook	11.14	11.42	11.70	12.00	12.00	12.30
	(+18 mos)					
Grid Cook	10.08	10.33	10.59	10.86	10.86	11.13
	(6-18 mos)					
Grid Cook	9.02	9.25	9.48	9.71	9.71	9.96
	(0-6 mos)					
Mail Labeler	12.78	13.10	13.43	13.76	13.76	14.11
Bar Coder						
		Mail Clerk 1	12.67	12.99	13.31	
	13.64	13.64	13.99			
		(+18 mos)				
Mail Clerk 2	10.82	11.09	11.37	11.65	11.65	11.94
	(6-18 mos)					
Mail Clerk Trainee	9.02	9.25	9.48	9.71	9.71	9.96
	(0-6 mos)					
Custodian	13.07	13.40	13.73	14.07	14.07	14.43
	(+18 mos)					
Custodian	11.10	11.38	11.66	11.95	11.95	12.25
	(6-18 mos)					
Custodian	9.02	9.25	9.48	9.71	9.71	9.96
	(0-6 mos)					
Clothing Issue Tech	15.84	16.24	16.64	17.06	17.06	17.48
	(+ 12 mos)					
Clothing Issue Tech	13.05	13.38	13.71	14.05	14.05	14.40
	(0-12 mos)					

Mstr Photographer	20.62	21.14	21.66	22.21	22.21	22.76
Sr. Photographer	19.14	19.62	20.11	20.61	20.61	20.61
21.13						
	Photographer	17.25	17.68	18.12		
18.58	18.58	19.04				
Microfilmer	16.13	16.53	16.95	17.37	17.37	17.80
Microfilmer Asst.	11.73	12.02	12.32	12.63	12.63	12.63
12.95						
Microfilmer Trainee	9.02	9.25	9.48	9.71	9.71	9.96

EXHIBIT "A"

WAGE/CLASSIFICATION (continued)

	Current Base Rate	Effective 7-13-1998	Effective 5-31-1999	Effective 5-29-2000	Effective Last Week of May 2001	Effective 5-27-2002
Senior Printer	16.99	17.41	17.85	18.30	18.30	
18.75						
Printer II	15.01	15.39	15.77	16.16	16.16	
16.57						
Printer I	13.01	13.34	13.67	14.01	14.01	
14.36						
	Printer Trainee		9.02	9.25	9.48	
9.71	9.71	9.96				
Sr. Telephone	13.07	13.40	13.73	14.07	14.07	
<u>14.43</u>						
Operator						
Telephone Oper.	11.10	11.38	11.66	11.95		
11.95	12.25					
(6-18 mos)						
Telephone Oper.	9.02	9.25	9.48	9.71		
9.71	9.96					
(0-6 mos)						
Sr. Occ. Health Nurse	22.00	22.55	23.11	23.69	23.69	
24.28						
Occ. Health Nurse II	20.84	21.36	21.90	22.44	22.44	
23.00						

Occ. Health Nurse I 20.93	18.96	19.43	19.92	20.42	20.42
X-Ray Tech Sr. 17.99 18.44	16.71	17.13	17.56	17.99	
X-Ray Tech (0-5 yrs) 15.49	14.03	14.38	14.74	15.11	15.11
LPN Exam Tech A 13.95	12.64	12.96	13.28	13.61	13.61
LPN Exam Tech B 11.95 (0-5 yrs)	10.83	11.10	11.38	11.66	11.66
Sr. Rad Con Tech 21.95 22.50 (12-24 mos as RCT)	20.38	20.89	21.41	21.95	
Rad Con Tech 19.59 (12-18 mos as Jr. RCT)	17.75	18.19	18.65	19.11	19.11
Jr. Rad Con Tech 15.11 15.49 (0-18 mos)	14.03	14.38	14.74	15.11	
Analyst A 21.87	19.81	20.31	20.81	21.33	21.33
Analyst B 19.59	17.75	18.19	18.65	19.11	19.11
Analyst C 16.62	15.06	15.44	15.82	16.22	16.22
Senior Operator 21.33 21.87	19.81	20.31	20.81	21.33	
Operator 19.59	17.75	18.19	18.65	19.11	19.11
Operator Helper 16.22 16.62	15.06	15.44	15.82	16.22	
Operator Trainee 15.11 15.49	14.03	14.38	14.74	15.11	

EXHIBIT "A"

WAGE/CLASSIFICATION (continued)

	Current	Effective	Effective	Effective	Effective
	Effective	Effective	Effective	Effective	Effective
Base Rate	7-13-1998	5-31-1999	5-29-2000	Last Week	5-27-2002
	of May				
	2001				
Senior Decon Tech	18.18	18.63	19.10	19.58	
19.58	20.07				
Decon Tech	14.93	15.30	15.69		
16.08	16.08	16.48			
Decon Tech Trainee	12.82	13.14	13.47	13.81	13.81
14.15					
SRVC Disposal Oper	19.81	20.31	20.81	21.33	21.33
21.87					
Shop Fab Handler*	17.17	17.60	18.04	18.49	
18.49	18.95				
Laborer	13.69	14.03	14.38	14.74	14.74
15.11					
(+18 mos)					
Laborer	11.49	11.78	12.07	12.37	12.37
12.68					
(6-18 mos)					
Laborer	9.82	10.07	10.32	10.58	10.58
10.84					
(0-6 mos)					
Tool Crib Attendant	17.75	18.19	18.65	19.11	19.11
19.59					
Tool Crib Helper	15.06	15.44	15.82	16.22	
16.22	16.62				
Waste Handler	17.75	18.19	18.65	19.11	19.11
19.59					
Tech II					
Waste Handler	15.06	15.44	15.82	16.22	16.22
16.62					
Tech I					
Waste Handler	14.03	14.38	14.74	15.11	15.11
15.49					
Trainee					

Vehicle Repair 21.33 21.87 Specialist	19.81	20.31	20.81	21.33	21.33
Vehicle Repair 19.11 19.59	17.75	18.19	18.65	19.11	19.11
Vehicle Repair 16.22 16.62 Helper	15.06	15.44	15.82	16.22	16.22
Carpenter 1 st 21.87	19.81	20.31	20.81	21.33	21.33
Carpenter 2 nd 19.59	17.75	18.19	18.65	19.11	19.11
Carpenter Helper 16.22 16.62	15.06	15.44	15.82	16.22	16.22
Insulator 1 st 21.87	19.81	20.31	20.81	21.33	21.33
Insulator 2 nd 19.59	17.75	18.19	18.65	19.11	19.11
Insulator Helper 16.22 16.62	15.06	15.44	15.82	16.22	16.22

EXHIBIT "A"

WAGE/CLASSIFICATION (continued)

Current Effective Effective Effective Effective Effective
Base Rate 7-13-1998 5-31-1999 5-29-2000 Last Week 5-27-2002
of May
2001

Painter 1 st	19.81	20.31	20.81	21.33	21.33	21.87
Painter 2 nd	17.75	18.19	18.65	19.11	19.11	19.59
Painter Helper	15.06	15.44	15.82	16.22	16.22	16.62
Locksmith 1 st	19.81	20.31	20.81	21.33	21.33	21.87
Locksmith 2 nd	17.75	18.19	18.65	19.11	19.11	19.59
Locksmith Helper	15.06	15.44	15.82	16.22	16.22	16.62
Heavy Equipment Operator	19.81	20.31	20.81	21.33	21.33	21.87
Equipment Operator	17.75	18.19	18.65	19.11	19.11	19.59
Equipment	15.06	15.44	15.82	16.22	16.22	16.62

Operator Helper

Machinist, Specialist*	20.91	21.43	21.97	22.52	22.52	23.08
Machinist 1 st	19.81	20.31	20.81	21.33	21.33	21.87
Machinist 2 nd	17.75	18.19	18.65	19.11	19.11	19.59
Machinist Helper	15.06	15.44	15.82	16.22	16.22	16.62
Fitter 1 st	19.81	20.31	20.81	21.33	21.33	21.87
Fitter 2 nd	17.75	18.19	18.65	19.11	19.11	19.59
Fitter Helper	15.06	15.44	15.82	16.22	16.22	16.62
Mechanic 1 st	19.81	20.31	20.81	21.33	21.33	21.87
Mechanic 2 nd	17.75	18.19	18.65	19.11	19.11	19.59
Mechanic Helper	15.06	15.44	15.82	16.22	16.22	16.62
Welder 1 st	19.81	20.31	20.81	21.33	21.33	21.87
Welder 2 nd	17.75	18.19	18.65	19.11	19.11	19.59
Welder Helper	15.06	15.44	15.82	16.22	16.22	16.62
Sheet Metal 1 st	19.81	20.31	20.81	21.33	21.33	21.87
Sheet Metal 2 nd	17.75	18.19	18.65	19.11	19.11	19.59
Sheet Metal Helper	15.06	15.44	15.82	16.22	16.22	16.62

EXHIBIT "A"

WAGE/CLASSIFICATION (continued)

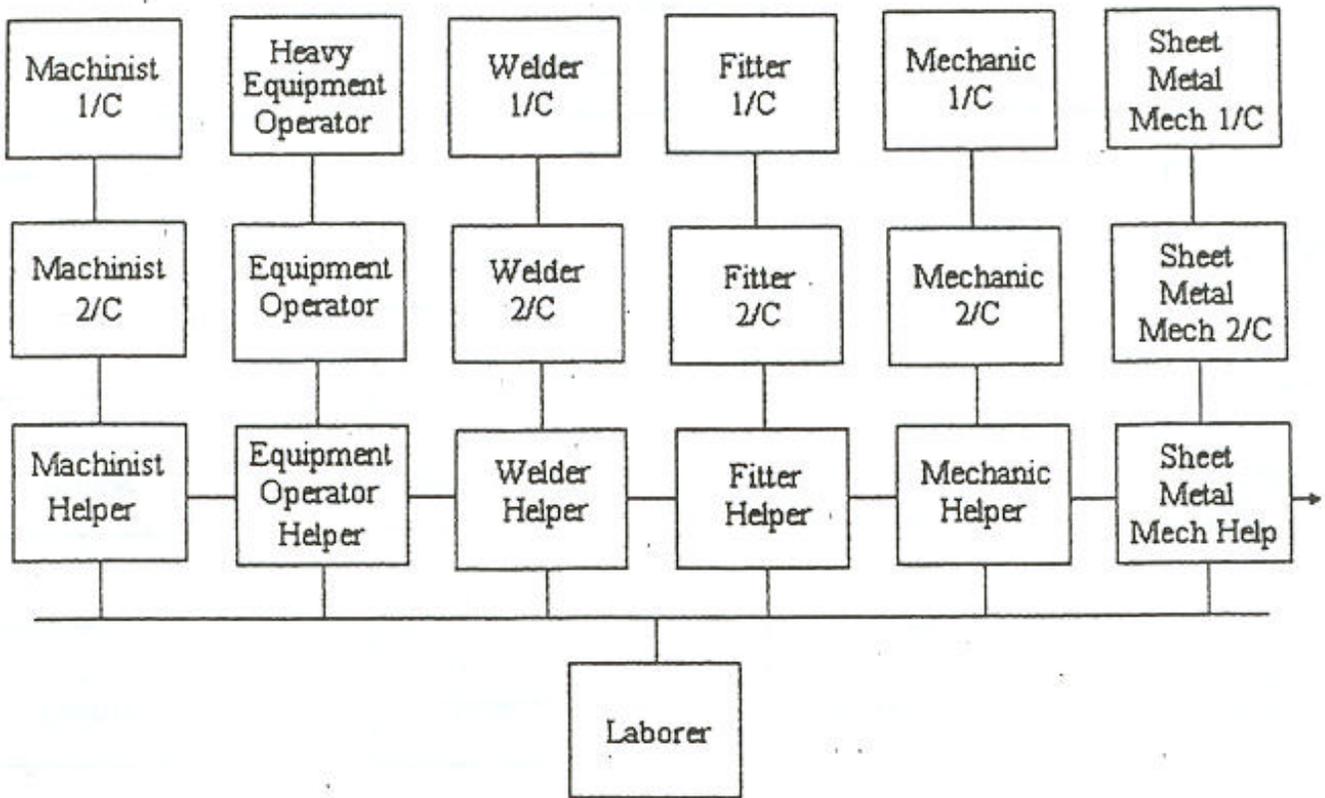
Current Base Rate Effective 7-13-1998 Effective 5-31-1999 Effective 5-29-2000 Effective Last Week Effective 5-27-2002
of May
2001

Lineman	20.91	21.43	21.97	22.52	22.52	23.08
Electrician 1 st	19.81	20.31	20.81	21.33	21.33	21.87
Electrician 2 nd	17.75	18.19	18.65	19.11	19.11	19.59
Electrician Helper	15.06	15.44	15.82	16.22	16.22	16.62
Power Dispatcher	19.81	20.31	20.81	21.33	21.33	21.87
Instrument Specialist*	20.91	21.43	21.97	22.52	22.52	23.08
Instrument 1 st	19.81	20.31	20.81	21.33	21.33	21.87

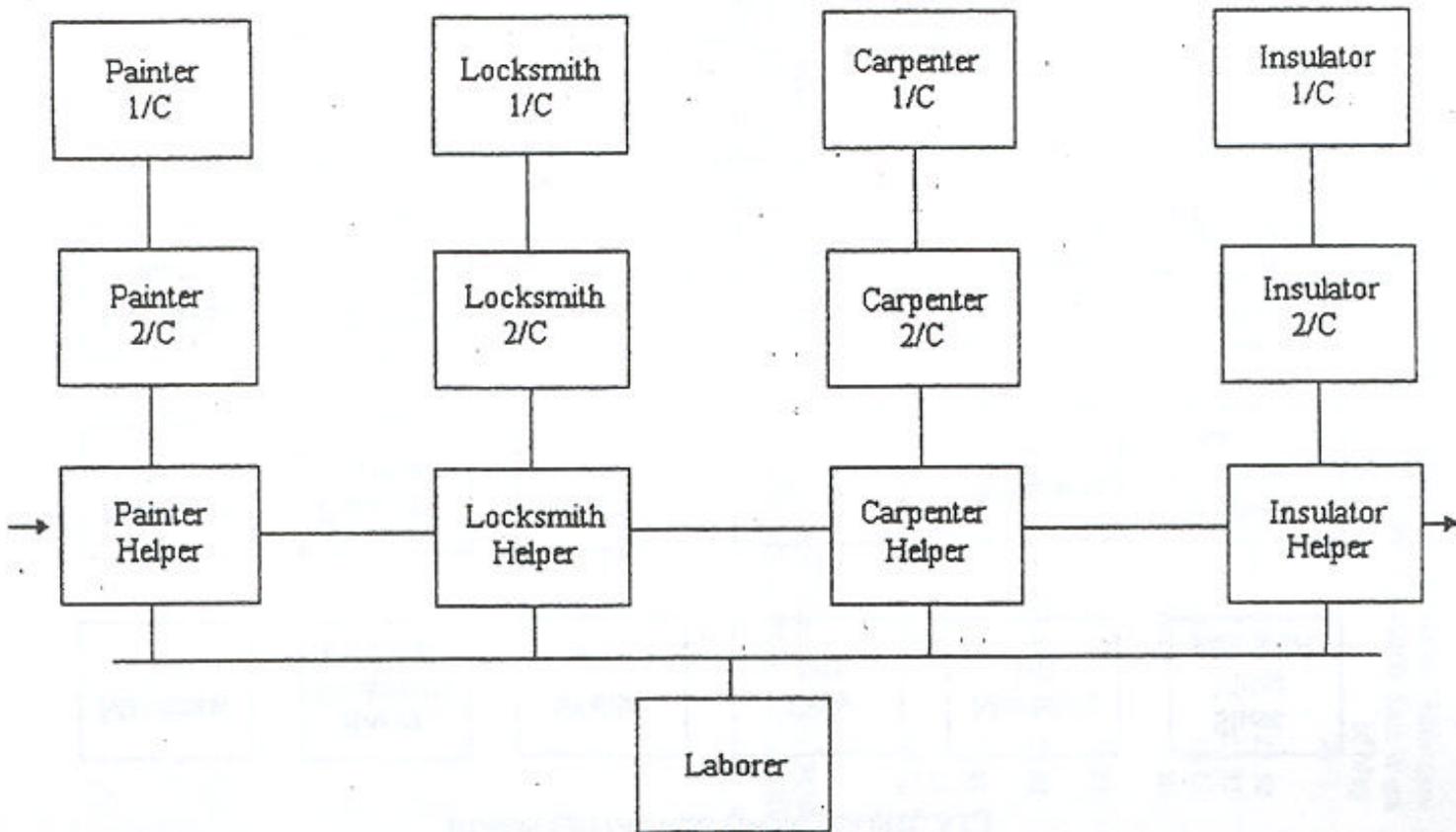
Instrument 2 nd	17.75	18.19	18.65	19.11	19.11	19.59
Instrument Helper	15.06	15.44	15.82	16.22	16.22	16.62

* The Shop Fab Handler, the Machinist Specialist and the Instrument Specialist classifications will be eliminated once the current employees in those classifications are no longer in those classifications.

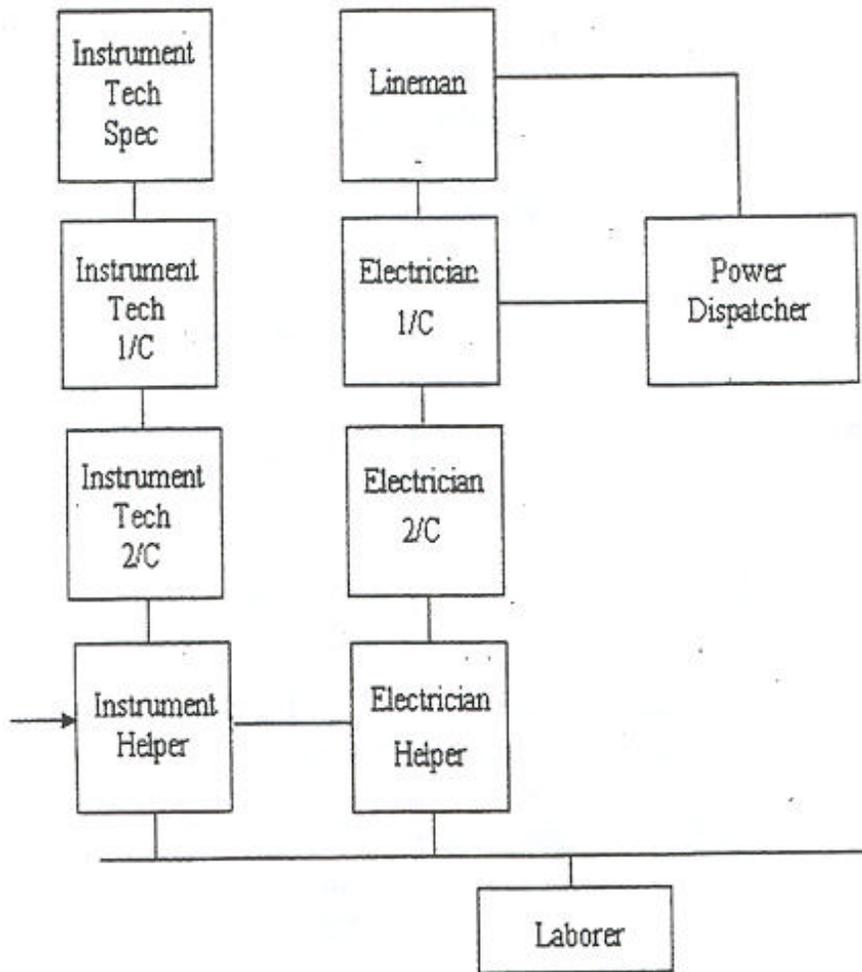
MAINTENANCE (MECHANICAL)



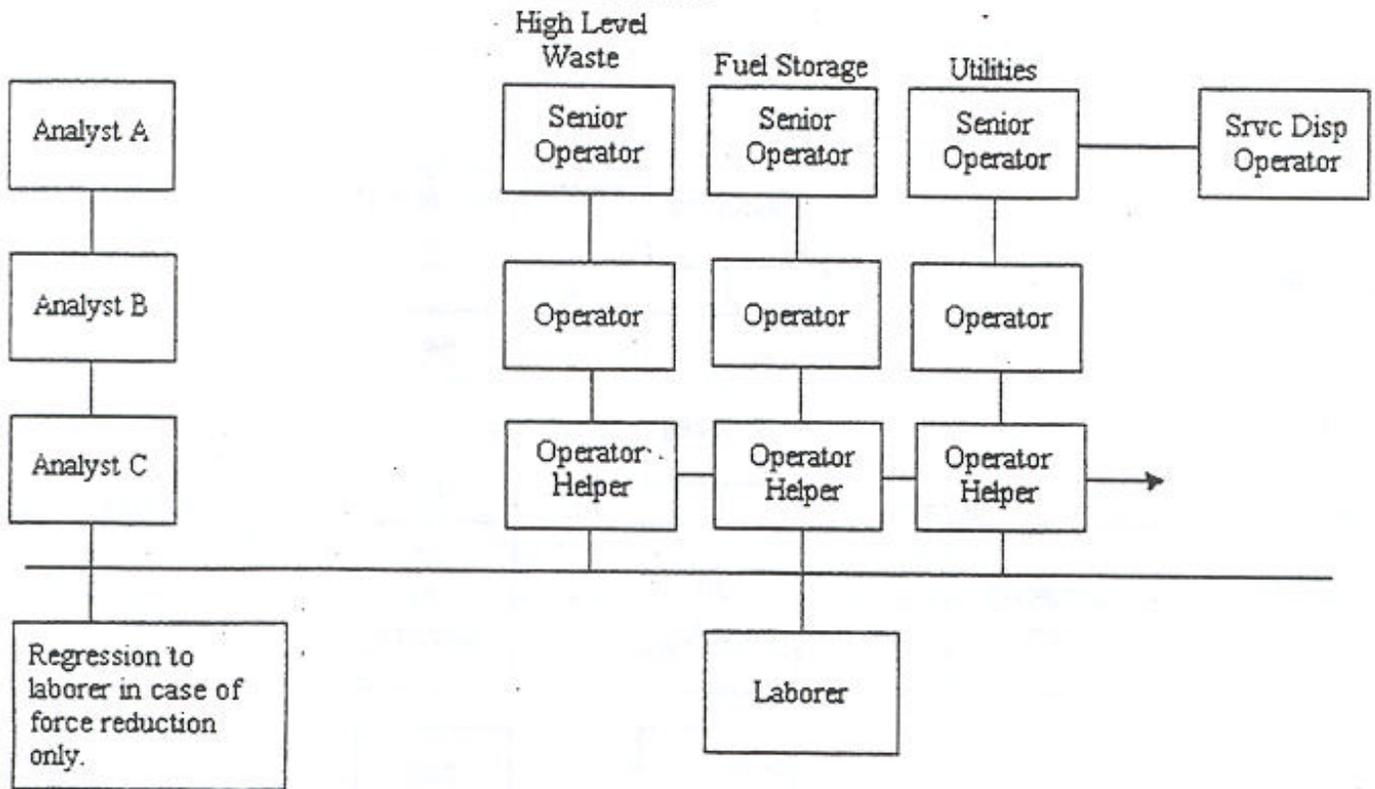
MAINTENANCE (CIVIL)



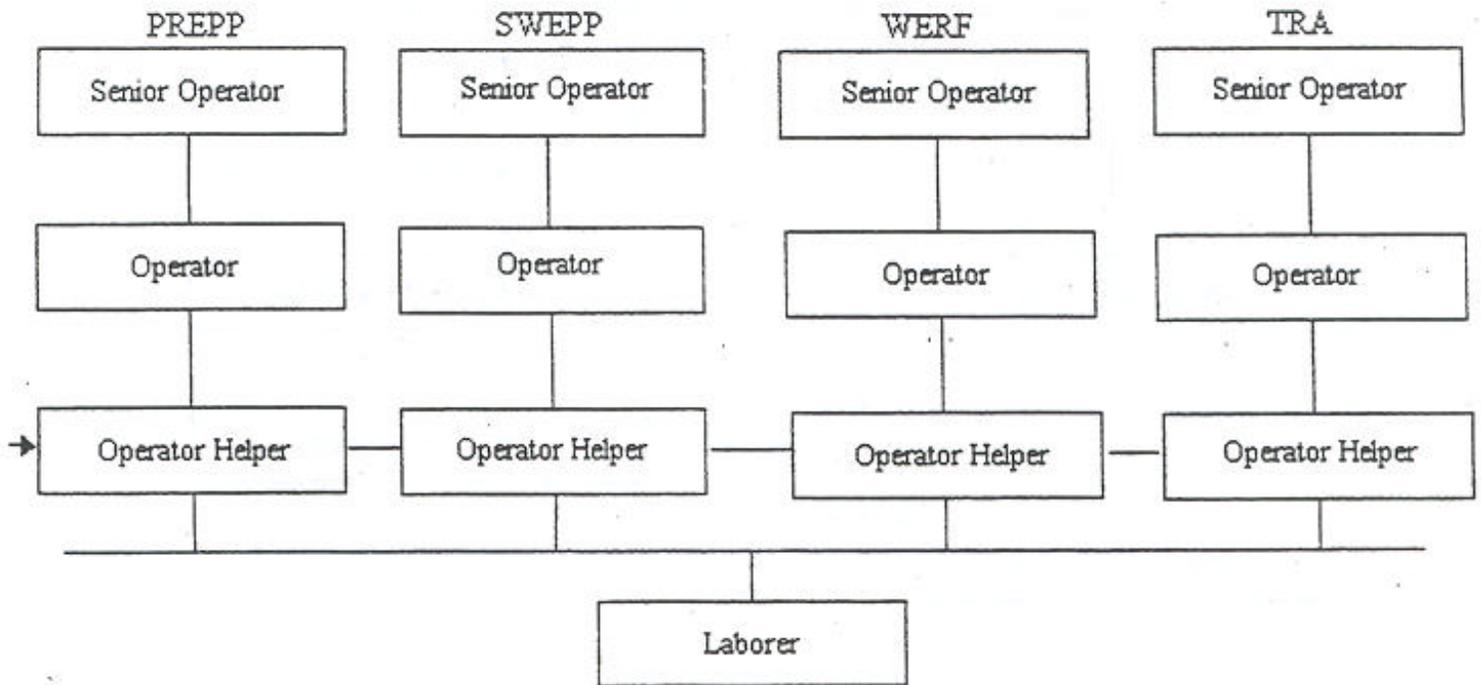
MAINTENANCE (ELECTRICAL)



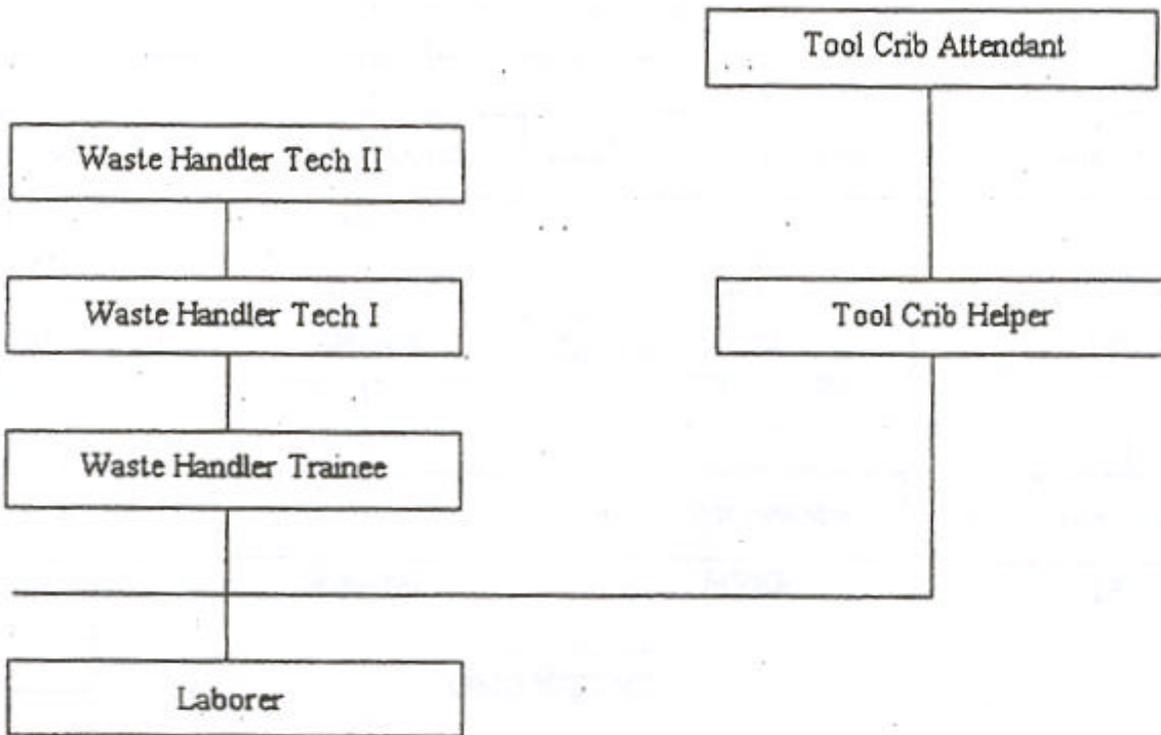
OPERATIONS



OPERATIONS



GENERAL



June 11, 1998

Mr. D. H. "Doc" DeTonancour, President
Oil, Chemical and Atomic Workers Union
Local 2-652
P.O. Box 50659
Idaho Falls, Idaho 83405-0659

SUBCONTRACTING COMMITTEE – EBT-10-98

Dear Mr. DeTonancour:

This will confirm the agreement between the Company and the Union during the 1998 negotiations regarding subcontracting.

A subcontracting committee will be established. The purpose of the committee is to discuss subcontracting issues which may arise. The parties will attempt to set up a mutually agreed upon procedure as to how subcontracting issues will be discussed by the committee with a goal to minimize inefficient subcontracting. Members are as follows:

Vice President. Site Services
Vice President. Human Resources
Manager, Union Relations
Management Representative from Nuclear Operations
OCAW President
OCAW Vice Presidents (2)

The committee shall normally meet during the first week of every month.

Sincerely

Eugene B. Tycz, Manager
Union Relations

sgb

cc: T. Heiserman, MS 3200
E. B. Tycz File

A day worker may annually elect to observe Veteran's Day, on November 11, in 1998, 1999, and 2002 as a holiday in lieu of the last designated holiday in December, providing the election to observe Veteran's Day is made at the time of the vacation preference process. Any day worker so making the election will be.

HOLIDAY SCHEDULE
1998

			4x10	5x8	A	9x80	Comments	
							B	
Jan	1	(Thu)	10	8	10	9	4x10 for A	
May	25	(Mon)	10	8	9	9		
July	3	(Fri)	0	8	0	0	Opt. PL for B	
Sept	7	(Mon)	10	8	9	9		
Nov	26	(Thu)	10	8	10	9	4x10 for A-2wk	
Nov	27	(Fri)	0	8	0	0		
Dec	25	(Fri)	0	8	8	0		
Dec	28	(Mon)	10	8	9	10	4x10 for B-2wk	
Dec	29	(Tue)	10	8	9	10		
Dec	30	(Wed)	10	8	9	10		
Dec	31	(Thu)	10	0 (8hrsPL)	7 (2hrsPL)	10		
CASH OUT							4	
TOTAL			80	80	80	80		

1999

Jan	1	(Fri)	0	8	0	0	4x10 for B-2wk
May	31	(Mon)	10	8	9	9	
July	5	(Mon)	10	8	9	9	
Sept	6	(Mon)	10	8	9	9	
Nov	25	(Thu)	10	8	9	9	
Nov	26	(Fri)	0	8	8	0	
Dec	27	(Mon)	10	8	9	9	
Dec	28	(Tue)	10	8	9	9	
Dec	29	(Wed)	10	8	9	9	
Dec	30	(Thu)	10	8	9	9	
Dec	31	(Fri)	0	0 (8hrsPL)	0	8	
TOTAL			80	80	80	80	

2000

Jan	1	(Sat)	0	0	0	0	
May	29	(Mon)	10	8	9	9	
July	4	(Tue)	10	8	9	9	
Sept	4	(Mon)	10	8	9	9	
Nov	23	(Thu)	10	8	9	9	
Nov	24	(Fri)	0	8	8	0	
Dec	25	(Mon)	10	8	9	9	
Dec	26	(Tue)	10	8	9	9	
Dec	27	(Wed)	10	8	9	9	

Dec	28	(Thu)	10	8	9	9
Dec	29	(Fri)	0	8	0	8
TOTAL			80	80	80	80

2001

			4x10	5x8	A	9x80	B	Comments
Jan	1	(Mon)	10	8	9	9	9	
May	28	(Mon)	10	8	9	9	9	
July	4	(Wed)	10	8	9	9	9	
Sept	3	(Mon)	10	8	9	9	9	
Nov	22	(Thu)	10	8	9	9	9	
Nov	23	(Fri)	0	8	8	0	0	
Dec	25	(Tue)	10	8	9	9	9	
Dec	26	(Wed)	10	8	9	9	9	
Dec	27	(Thu)	10	8	9	9	9	
Dec	28	(Fri)	0	8	0	0	8	
Dec	31	(Mon)	0 (10hrsPL)	0 (8hrsPL)	0 (9hrsPL)	0 (9hrsPL)	0 (9hrsPL)	
TOTAL			80	80	80	80	80	

2002

Jan	1	(Tue)	10	8	9	9	
May	27	(Mon)	10	8	9	9	
July	4	(Thu)	10	8	9	9	
Sept	2	(Mon)	10	8	9	9	
Nov	28	(Thu)	10	8	9	10	4x10 for B 2wk
Nov	29	(Fri)	0	8	0	0	
Dec	25	(Wed)	10	8	9	10	4x10 for B
Dec	26	(Thu)	10	8	9	10	
Dec	27	(Fri)	0	8	0	0	
Dec	30	(Mon)	10	8	10	9	4x10 for A
Dec	31	(Tue)	0 (10hrPL)	0 (8hrPL)	7 (3hrPL)	5 (4hrPL)	
TOTAL			80	80	80	80	

2003

Jan	1	(Wed)	10	8	10	9	4x10 for A
May	26	(Mon)	10	8	9	9	

ATTACHMENT A

MEMORANDUM OF AGREEMENT

Between

LOCKHEED MARTIN IDAHO TECHNOLOGIES
COMPANY (LMITCO)

and

OIL, CHEMICAL AND ATOMIC WORKERS
INTERNATIONAL UNION
(OCAW)

June 23, 1998

PRIVATIZATION/OUTSOURCING

The parties recognize that among the primary goals of the Department of Energy (DOE) is to enhance productivity, reduce cost and transition our regional economy from a dependence on federal funding to private industry. Privatization/Outsourcing is one means to accomplish these objectives. LMITCO, as the INEEL consolidated contractor, has contractual responsibility to take the lead in implementing this program.

The parties also recognize the need to work cooperatively to minimize the impact of privatization/outsourcing on affected employees, the community, and the operation of the INEEL. In this regard, LMITCO will conduct open, forthright, two way communications with affected and potentially affected employees, OCAW representatives, and community leaders to develop options for dealing with the impact.

Privatization/outsourcing ("privatization") is defined as the transfer of most, if not all, of a function to the private sector with a goal to transfer people and equipment whereby LMITCO will no longer perform most, if not all, the function with the work remaining in LMITCO's work scope. The following outlines OCAW's involvement as specific functions are identified for privatization.

- Initial Notification of OCAW

LMITCO will provide to OCAW on a monthly basis a list of those functions with OCAW-represented employees which LMITCO is considering as privatization candidates. Such lists will be confidential until affected employees have been notified by the Company with union presence in the case of OCAW-represented employees. LMITCO will also provide a description of the work to be privatized, the names and classifications of affected OCAW-represented employees, and the projected date of privatization. LMITCO will not submit to OCAW any cost/benefit analysis or

send Request for Proposals (RFPs) to potential bidders until the function has been on the list for at least thirty (30) calendar days.

- Cost/Benefit Analysis

As part of the cost/benefit analysis, LMITCO will request that DOE-Idaho seek from the Department of Labor a wage and benefit determination pursuant to the Service Contract Act (SCA) in accordance with the Department of Labor's normal policies, for positions scheduled to be privatized which are represented by OCAW.

LMITCO's Business Management Branch will present and explain to up to three LMITCO representatives and to two local OCAW representatives and the OCAW International official a cost/benefit analysis of each function considered for privatization which has bargaining unit members represented by OCAW and highlight any variance from the basic cost model. OCAW may appeal within fifteen (15) calendar days any variance from the basic cost/benefit analysis model to DOE-ID and then DOE-HQ for a final decision provided such appeal to DOE-HQ is submitted in writing to DOE-HQ within 10 calendar days of receipt of the decision from DOE-ID. As an alternative, OCAW may choose to arbitrate any variance through the expedited arbitration procedure. Cost benefit analysis data will only be disclosed to Union officials and representatives who have a need to know such data in the exercise of their Union responsibilities and who have signed the attached non-disclosure agreement provided by LMITCO. Open discussions will be held with OCAW officials regarding the analysis and any response by such officials will be fully considered. OCAW officials may request, and LMITCO will not decline to provide, relevant information such as the documentation supporting the cost/benefit analysis. Discussions between LMITCO and OCAW officials will occur as needed, during the thirty (30) calendar-day period triggered by LMITCO's Business Management Branch's presentation to OCAW and LMITCO representatives of the cost/benefit analysis. OCAW officials may present to LMITCO any alternative, including a proposed method to determine the numbers of employees necessary for the effective performance of any privatized work for consideration during this thirty (30) calendar-day period.

- Request for Proposal (RFP) Decision

All input received from OCAW officials and others will be reviewed by LMITCO management having final decision-making authority. Such input will be given consideration prior to any final decision by LMITCO to send out an RFP. LMITCO has final authority regarding any privatization decision.

Selection is subject to the following criterion:

A minimum cost savings threshold of an average of 5% per year over the period of the LMITCO/contractor contract.

- RFP Process

OCAW officials will receive a copy of the RFP within seven (7) calendar days after LMITCO has made a decision to send out RFP's and finalized the RFP's and prior to such RFP's being sent to potential bidders. OCAW officials must provide input to LMITCO within fifteen (15) calendar days of receiving the RFP. LMITCO will consider any such input prior to sending out the RFP. LMITCO will review all responses to RFP's received and has final authority to select the successful bidder, consistent with the terms of the RFP. LMITCO will not arbitrarily or unreasonably reject any alternative previously proposed by the union.

The RFP shall provide that for the first year of the contract, or the expiration of LMITCO/OCAW contract (whichever comes first), employees performing SCA-covered privatized work shall receive equivalent base

wages (including any applicable shift differentials) and comparable benefits to those paid by LMITCO during an employee's preceding year with LMITCO from whatever source(s). Beginning with the second year of the contract, or the expiration of the LMITCO/OCAW contract (whichever comes first), such employees will be paid under the subcontract at least the prevailing wages and benefits as provided by the wage determination or in accordance with any negotiated collective bargaining agreement, as applicable.

The determination of successorship issues should be decided in accordance with the established rules developed under the NLRA; each case of privatization/outsourcing will be addressed on its own facts. The parties will endeavor to structure any outsourcing so that current INEEL workers hired to perform outsourced work comprise a separate bargaining unit within the meaning of the NLRA.

- Affected Employees

To the extent that a contractor must supplement its existing work force, affected OCAW-represented employees (those in the function to be privatized) will be offered employment for such openings for the scope of work formerly performed by such employees in accordance with the following priority:

Employees performing the same work and requiring the same skills for LMITCO at the time of transition as is required by the contractor, e.g. carpenter work, shall be made offers for such openings in line with INEEL site seniority.

Employees not performing the same work for LMITCO at the time of transition as is required by the contractor but nevertheless qualified shall be made offers for such openings in line with INEEL site seniority.

Qualified individuals on the “3161” list (see Memorandum of Agreement regarding Preference) in line with INEEL seniority.

An affected employee shall not be deemed unqualified for a position within the applicable scope of work if the employee is qualifiable for that position between one month after the contractor has won the bid and the scheduled date the contractor assumes the work. (Employee must be qualifiable within 90 calendar days regardless of the above). Any training required for the affected employees to be qualified by the scheduled date shall be provided by LMITCO or the contractor on paid time, to be scheduled at the convenience of LMITCO.

The contractor shall not make offers of employment under the contract other than to affected employees and qualified individuals on the 3161 list for openings in the scope of work formerly performed by such affected employees and individuals on the 3161 list currently at LMITCO until all affected employees and individuals on the 3161 list qualified for such positions have been given job offers by the contractor.

If the successful bidder increases the number of positions or vacancies occur under the contract within six (6) months after operations begin, its obligation to offer employment to qualified affected employees and qualified individuals on the 3161 list shall continue until the additional positions are filled. The contractor shall, as soon as possible, notify and solicit applications from affected employees and qualified individuals on the 3161 list who shall be given a reasonable period within which to accept such offers, which in no case shall be less than ten (10) calendar days.

Employees in the function to be privatized may refuse to accept a job offer from the successful bidder. Employees not hired by the successful bidder will be considered for any LMITCO openings for which they are qualified or qualifiable within ninety (90) calendar days prior to any layoff

which may occur. LMITCO will provide such training. Any such employee refusing to be trained for a LMITCO opening shall be considered to have voluntarily terminated. If no openings for which the employee is qualified or qualifiable within ninety (90) calendar days exist, the employee will be laid off in accordance with the bargaining unit Agreement. LMITCO will comply with applicable laws during any layoff process including providing preference for eligible employees in accordance with applicable provisions of Section 3161 of the National Defense Authorization Act.

The parties agree that costs associated with the up to 90 day period employees affected by privatization have to become qualified for available openings prior to layoffs shall not be part of the cost/benefit analysis model. An “available opening” exists from the time Human Resources has received an approved Employee Position Description (EPD) to the time an individual has received and accepted an offer or the EPD has been cancelled by management.

An affected employee involuntarily laid off (not for cause) by the winning bidder during the first year of the contract shall be considered for LMITCO openings for which such employee is qualified. If the employee cannot be placed with LMITCO, the employee will be placed on the recall list to those classifications to which the employee would have been on recall if eligible had the employee been laid off from LMITCO rather than hired by the contractor, or the 3161 list. The length of time on recall shall start as if the employee were laid off at the time the employee was hired by the contractor. During the period on the recall or 3161 list, the affected employee will receive payment by the winning bidder equal to Two Thousand (\$2,000.00) Dollars per month for each month left in the first year of employment. Payments will cease upon receiving a job offer from LMITCO or a job offer of equivalent wages and comparable, if not equivalent, benefits from another employer.

LMITCO will attempt to mitigate the impact of privatization on its employees by encouraging bidders to hire LMITCO employees and/or discouraging the successful bidder from laying off former LMITCO

employees during their first months of employment.

Arbitration

Procedure

For an alleged violation of the agreement, the parties have agreed to an expedited arbitration procedure during which time is of the essence. Grievances over the applicability of Attachment A shall be subject to the expedited arbitration procedure. The procedure is as follows:

Immediately after ratification of the labor agreement, the parties shall request from the Federal Mediation and Conciliation Service (FMCS) a list of forty (40) arbitrators from the states of Idaho, Utah, Montana, Wyoming, Arizona, Nevada, New Mexico, and Colorado.

Upon receipt of the list from the FMCS, the parties shall immediately jointly contact each of the arbitrators to determine those willing to commit to be available for a hearing within thirty (30) days of being contacted for three (3) consecutive business days, and will render an award within two (2) weeks of receiving briefs from the parties.

From a pool of those arbitrators who meet all the criteria above, nine (9) shall be selected with the parties striking alternately from the list of qualifying arbitrators (with a coin toss determining who strikes first).

Upon a grievance being filed within seven (7) calendar days after the Company has sent out the RFP's, the parties shall jointly request FMCS assistance for mediation and telephonically contact each of the nine (9) pool arbitrators to determine who is available for a hearing within thirty (30) calendar days for three (3) consecutive days. The parties shall alternately strike names of arbitrators (with a coin toss determining who strikes first) from the list of available arbitrators until only one is left who shall be the arbitrator to hear and decide the case.

The parties shall repeat biennially (once every two years) the selection process to determine the pool of nine (9) arbitrators.

The Company and the Union may each strike one (1) arbitrator from the pool during each year.

The parties shall be allowed to submit briefs to the arbitrator. Such briefs must be submitted within one (1) week of the last day of the arbitrator hearing. No extensions for briefs shall be granted. A brief not submitted in a timely manner shall not be considered by the arbitrator.

An arbitrator must render an award within two (2) weeks of receiving the briefs.

If the parties have not selected the panel of nine (9) arbitrators when the Union first files a grievance, the Company and the Union shall mutually agree on an arbitrator or select an arbitrator in accordance with the procedure in the labor agreement.

It is understood that the fees and expenses of the arbitrator shall be an allowable cost under the DOE-LMITCO contract in any arbitration occurring under this agreement. Court reporter and transcript costs for LMITCO and OCAW shall be paid in accordance with the Memorandum of Agreement regarding Court Reporter/Transcripts.

Other Resolutions

Issues resolved through an appeal through DOE are not arbitrable.

- The Union must file a grievance within seven (7) calendar days from the date the Company sends out RFP's to grieve any arbitrable issue involving the various privatization process steps up to the time the Company sends out the RFP.

- The Union must file a grievance within seven (7) calendar days from the date the Union is notified of the selection of the winning bidder to grieve whether the selected bidder met the RFP selection criteria.
- The Company agrees not to transition the affected employees and function to the winning bidder until at least 90 days after it has sent out the RFP's.
- If LMITCO decides to bring back a function previously privatized, then all previous LMITCO employees employed by the privatization entity at the time of such decision shall be offered positions with LMITCO in the function.

The parties agree to work together to ensure an efficient implementation of LMITCO privatization initiatives.

This agreement shall expire on the expiration date of the current labor agreement.

LMITCO Representative

Date

OCAW Local 2-652 Representative

Date

~~OCAW International Representative~~ ~~Date~~

NONDISCLOSURE AGREEMENT

This Agreement is between _____

(Recipient) and Lockheed Martin Idaho Technologies Company (LMITCO), management and operating contractor of the Idaho National Engineering and Environmental Laboratory (INEEL) for the U.S. Department of Energy (DOE) under Contract No. DE-AC07-94ID13223.

WHEREAS, LMITCO possesses certain Proprietary Information relating to _____

(the Technology) and Recipient desires to evaluate the Proprietary Information:

THEREFORE, the parties agree:

1. Recipient shall protect LMITCO's Proprietary Information, making no use of it other than for evaluation thereof, which is either:
 - a. disclosed in writing and plainly marked as LMITCO's Proprietary Information; or
 - b. disclosed in another manner and identified as proprietary at the time of disclosure, and summarized and designated proprietary in a written memorandum delivered to Recipient within thirty (30) days of the disclosure.

2. Recipient shall:
 - a. protect the Proprietary Information by using the same degree of care, but no less than a reasonable degree of care, as Recipient uses to protect its own confidential information of a like nature; and
 - b. not disclose the Proprietary Information to any third party without the written consent of the supplying party; and
 - c. restrict disclosure of the Proprietary Information to employees who have a need to know the same and who have been advised of Recipient's obligations under this Agreement; and
 - d. not remove the proprietary marking from any of the Proprietary Information.

3. The obligations of non-use and nondisclosure set forth in this Agreement shall not apply to any information which:
- a. is or becomes part of the public domain otherwise than as a consequence of breach of obligations under this Agreement;
 - b. was already known to the Recipient prior to receipt from LMITCO;
 - c. is lawfully disclosed by LMITCO to a third party without restriction; or
 - d. is disclosed by a third party to the Recipient without restriction and otherwise than as a consequence of breach of obligations of a Nondisclosure Agreement.
4. Any obligations under this Agreement shall automatically terminate three (3) years after the date of disclosure of information considered proprietary.
5. Nothing contained in this Agreement shall be construed as conferring upon the Recipient any right or license under intellectual property rights of LMITCO.

Accepted and agreed to:

for RECIPIENT

for LMITCO

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

MEMORANDUM OF AGREEMENT

Between

LOCKHEED MARTIN IDAHO TECHNOLOGIES COMPANY
(LMITCO)

and

OIL, CHEMICAL AND ATOMIC WORKERS
INTERNATIONAL UNION (OCAW)

June 23, 1998

PREFERENCE

LMITCO shall give first preference to qualified employees for an available opening in the following priority order after contractual bidding rights have been exercised by current LMITCO employees:

Those OCAW bargaining unit employees involuntarily laid off from LMITCO who were hired by one of LMITCO's predecessor contractors on or before 9/27/91 (the "3161" list).

Those OCAW bargaining unit employees involuntarily laid off from LMITCO who were hired by LMITCO or a predecessor contractor after 9/27/91 (the "recall" list).

When considering individuals with 3161 preference from the 3161 list for an available opening within the OCAW bargaining unit, LMITCO shall select the most senior qualified.

Employees on 3161 lists will lose their preference if they fail to keep LMITCO's Human Resources Department current as to their home address.

Lockheed Martin Idaho Technologies Company

Date

OCAW International

Date

OCAW Local 2-652

Date

MEMORANDUM OF AGREEMENT

Between

LOCKHEED MARTIN IDAHO TECHNOLOGIES COMPANY
(LMITCO)

and

OIL, CHEMICAL AND ATOMIC WORKERS
INTERNATIONAL UNION (OCAW)

June 23, 1998

COURT REPORTER/TRANSCRIPTS

This will confirm the following understanding reached among DOE, OCAW and Lockheed Martin Idaho Technologies Company officials in regard to court reporter and transcript costs for any arbitration occurring under the terms of Attachment A (The Memorandum of Agreement on Privatization/Outsourcing).

- The party requesting a court reporter will bear the cost of the court reporter services.
- The party requesting a court reporter will pay for the first copy of the transcript (record) if the party wants a transcript.
- Court reporter costs and transcripts (record) costs shall not be deemed allowable cost to the Company up to a total of \$35,000 a year. Reimbursement of such costs to OCAW will be governed by OCAW's agreement with DOE.
- Subject to the availability of appropriations, in the event the Union incurs costs and transcript (record) costs in excess of \$35,000 in any year in connection with such arbitration, DOE agrees to reimburse the Union for such excess costs. Such reimbursement may be made through LMITCO.

Lockheed Martin Idaho Technologies Company

Date

OCAW International

Date

OCAW Local 2-652

Date

MEMORANDUM OF AGREEMENT

Between

LOCKHEED MARTIN IDAHO TECHNOLOGIES COMPANY
(LMITCO)

and

OIL, CHEMICAL AND ATOMIC WORKERS
INTERNATIONAL UNION, LOCAL 2-652
(OCAW)

July 2, 1998

LOCKHEED MARTIN IDAHO TECHNOLOGIES COMPANY (LMITCO)
EXCELLENCE AWARD PROGRAM (LEAP)

All regular full-time LMITCO employees represented by OCAW and covered by the main agreement are eligible to participate in LEAP under the following conditions:

During each contract year, the LEAP will be funded at an amount of \$34,000 with the understanding that the total award expenditure may not reach nor exceed that amount.

The Union will receive a quarterly summary of OCAW members who receive LEAPs and the amounts received.

There will be a two year trial period. Following this two year period, should the Union determine that the LEAP awards were dispensed in a fair and equitable manner, the two year trial period may be extended for the length of the working agreement.

LEAP award funds will not be part of the compensatory package negotiated between the two parties.

It is understood that the Company retains the sole right to administer LEAP including any modifications, changes or the elimination of the program.

The merits of the LEAP Award Program may be appealed through the management chain and/or to Human Resources, but is not subject to the grievance process.

For the Union

Date

For the Company

MEMORANDUM OF AGREEMENT

Between

LOCKHEED MARTIN IDAHO TECHNOLOGIES COMPANY
(LMITCO)

and

OIL, CHEMICAL AND ATOMIC WORKERS
INTERNATIONAL UNION, LOCAL 2-652
(OCAW)

July 2, 1998

**LOCKHEED MARTIN IDAHO TECHNOLOGIES COMPANY
KEY INITIATIVES**

All regular full-time LMITCO employees represented by OCAW and covered by the main agreement are eligible to participate in Kay Initiatives Award Program under the following conditions:

The following are several key LMITCO strategic and operational initiatives:

Strategic Initiatives

- Achieve and sustain a Severity Index of 9.0 or lower by September 30, 1998.
- Receive Voluntary Protection Program Star Status with Calendar Year 1998.
- Receive ISO 14000 certification for Environmental Compliance Management by March 31, 1999.

- Achieve and sustain the lowest Day Away Case Rate within the Lockheed Martin Corporation for companies of comparable size and work content by September 30, 1999.
- Receive ISO 9000 certification by September 30, 1999.

Operational Initiative

- Pass all Operational Readiness Reviews on the first try.

LMITCO will evaluate the bargaining unit as a whole to determine the appropriate lump sum award, if any, to be awarded each member of the bargaining unit based on the effectiveness of its support of LMITCO's key initiatives listed above. The evaluation guidelines are listed below:

\$150	Exceptional
\$100	Very Commendable
\$50	Good

The above amounts are subject to legal withholdings.

The lump sums shall be awarded in June of each year starting in 1999 for those regular full-time LMITCO employees represented by OCAW and on the active payroll in the award month. Employees hired within the prior twelve months will receive a prorated award.

LMITCO will provide to members of the bargaining unit revised initiatives as appropriate during the life of the contract.

There will be a two year trial period. Following this two year period, should the Union determine that the Key Initiatives awards were dispensed in a fair and equitable manner, the two year trial period may be extended for the length of the working agreement.

Key Initiatives award funds will not be a part of the compensatory package negotiated between the two parties.

It is understood that the Company retains the sole right to administer Key Initiatives awards including any modifications, changes or the elimination of the program.

For the Company	Date	For the Union	Date
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