

## **AGREEMENT**

**Bechtel Jacobs Company LLC proposes the following successor agreement to take the form of an addendum to the labor contract between the Union and United States Enrichment Corporation ("USEC") covering work performed at the Portsmouth Gaseous Diffusion Plant in Portsmouth, Ohio, and that the Addendum be worded as follows:**

### **ADDENDUM**

**Between**

**Bechtel Jacobs Company LLC (hereinafter "Bechtel Jacobs" or the "Company")  
and**

**Paper, Allied-Industrial, Chemical and Energy Workers International Union, and  
its Local No. 5-689 (hereinafter "PACE" or the "Union")**

#### **1. Purposes**

This Addendum is intended to serve as the basis for effectively moving PACE-represented United States Enrichment Corporation ("USEC") employees to and between Bechtel Jacobs and/or its subcontractors for the performance of Department of Energy ("DOE") related work at Portsmouth, Ohio. This Addendum is designed to accomplish the transition of "grandfathered" employees in a seamless and non-disruptive manner, while assuring that wages, benefits and accrued severance, accrued seniority, accrued service credit for vacation and pension and other purposes that were accumulated with USEC and its predecessors are maintained at equivalent levels and are transferred to Bechtel Jacobs and/or its subcontractors without interruption. This Addendum is also intended to provide protections for employees who voluntarily transferred from USEC to Bechtel Jacobs, based on USEC seniority, when waste management and cylinder management functions are transferred from USEC to Bechtel. This agreement also provides employment opportunities for available work with Bechtel Jacobs and/or its subcontractors performing environmental restoration, waste management and decontamination and decommissioning at Portsmouth for laid-off USEC employees and non-grandfathered employees. This Addendum is designed to retain and utilize incumbent employees who have site-specific experience and institutional memory, which will help to protect the health and safety and minimize costs by employing workers who have already obtained security clearances. This agreement is designed and should be construed in a manner to fulfill the statutory and DOE policy requirements to minimize the social and economic impacts of changes to the workforce at a DOE defense nuclear facility as prescribed in Section 3161 of the FY 93 Defense Authorization Act as amended by the 1996 USEC Privatization Act ("Section 3161"), and the Office of Worker and Community Transition Interim Workforce Planning Guidance.

#### **2. Effect of this Addendum**

To the extent a provision of the labor Contract between PACE and its Local 5-689 and USEC, which was effective May 1, 1996 and was renewed and extended to May 2, 2004 (hereinafter "USEC Contract"), is not modified by this Addendum, the terms of the

USEC Contract will continue to be applied by Bechtel Jacobs and/or its subcontractors at the Portsmouth plant site to May 2, 2004. In the event of a conflict between the wording and intent of this Addendum and that of the USEC Contract, it is specifically agreed that the wording and intent of this Addendum shall apply.

### **3. Application of this Addendum**

This Addendum will apply to all work performed by Bechtel Jacobs employees and its first- and second-tier subcontractors, but does not apply to work performed directly by USEC. The work scope covered under this agreement is that work scope which is covered by the USEC contract and/or that which is defined in Section 9 (“Scope of Work”) of this Addendum and/or Section 10 of this Addendum (“Future Work”). Bechtel Jacobs and its first- and second-tier subcontractors and PACE recognize and agree that this Addendum is meant to be binding upon any successor contractor or subcontractor at this facility.

### **4. Subcontracting**

- A. It is understood that Bechtel Jacobs may, at its sole discretion, contract or subcontract work or functions normally performed by bargaining unit personnel or work defined in Section 9 (“Scope of Work”) and Section 10 (“Future Work”). However, in exchange for that discretion, Bechtel Jacobs will, in all cases, impose certain requirements on the first- and second-tier contractor or subcontractor. These requirements will be contained in the bid specifications, requests for proposals and subcontract documents.
  
- B. The bid specifications, requests for proposals, and subcontract documents referred to in Section 1 will require the subcontractor to hire the bargaining unit workforce which it will employ in the performance of the subcontract from among the group of Bechtel Jacobs employees in the job classifications involved in the performance of that work at Portsmouth, to the extent such employees are available within the Bechtel Jacobs workforce, and when such employees are not available from Bechtel Jacobs, the bid documents will require hiring to be conducted in accordance with Section 15.A or 15.B of this Addendum, as applicable. Those documents will also require the subcontractor, from the outset, to adhere to the wages, fringe benefits and other economic terms and conditions contained in the USEC Contract as modified by this Addendum. Further, those documents will require the subcontractor, following the hiring of its initial and representative complement of employees for the subcontracted work, to immediately comply with any successorship rules of the National Labor Relations Act which will require the subcontractor to recognize the Union as the collective bargaining representative for the affected employees, and to adopt all of the terms and conditions of the USEC Contract, as modified by this Addendum, in connection with the terms and conditions of employment affecting bargaining unit employees who are engaged in performing the work governed by the subcontract. In those cases where Bechtel Jacobs, or a contractor or subcontractor, is not legally defined as a “successor” employer, as established under the National Labor Relations Act, the employer shall recognize

the Union upon a showing that a majority of the non-supervisory employees performing work in the appropriate unit have signed a union authorization card. (The parties agree to expedite the use of a mutually agreeable neutral third party to review and count cards and/or resolve any disputes). A copy of the language Bechtel Jacobs will use (referred to as “Exhibit J”) in requests for proposals, bid specifications, and subcontracts awarded at Portsmouth is incorporated and attached hereto at Attachment “F.” Bechtel Jacobs reserves the right to make non-substantive, technical modifications to “Exhibit J” in the future; however, Bechtel Jacobs and its first- and second-tier subcontractors agree that there shall be no deviation from the purposes and intent outlined in this Addendum with respect to timing and implementation of subcontractor obligations related to hiring, wages, benefits, union recognition and adherence to terms of this Addendum.

- C. Bechtel Jacobs and/or its 1st-tier subcontractor shall meet and consult with the Local Union President and Committee prior to the release of any Request for Proposal or bidding documents in order to identify past practices related to work scopes covered under this Addendum and to review the contents of Exhibit “J” that will be placed in the request for proposal or other bidding documents.
- D. When a subcontractor becomes a party to this Addendum, Bechtel Jacobs shall ensure that Exhibit “G” attached hereto (Memorandum of Agreement Regarding the Administrative Clarification of Roles and Responsibilities Regarding the Bechtel Jacobs Company-PACE Addendum When Bechtel Jacobs Uses Subcontractors for PACE-Covered Work) is executed as outlined in the attached Memorandum of Agreement.

## **5. Responsibilities**

- A. Substitute Article IV of the USEC Contract to read as follows:

“Subject to the Union rights as set forth in the USEC Contract, and as set forth in this Addendum, Bechtel Jacobs and its subcontractors shall continue to exercise its exclusive responsibility for the management of the Portsmouth plant site, including the non-discriminatory selection and direction of the working forces, the right to adopt and enforce reasonable work rules and regulations (provided it does not violate any article of the collective bargaining agreement), and the right to promote, demote, transfer, hire, rehire, discipline, discharge, and to determine the job content and qualifications of employees, and the Union agrees these rights are vested exclusively with the Company. Claims of discriminatory promotion, demotion, discipline, or discharge shall be subject to and decided through the Grievance Procedure and Arbitration Clause in this Agreement, except that the Grievance Procedure and Arbitration Clause shall not preclude, nor pre-empt, an employee’s right or freedom to pursue a complaint, grievance, suit or other relief and/or remedy that may be available under any state or federal law or regulation.”

## **6. Work Shifts**

Bechtel Jacobs and its subcontractors will, subject to bargaining with the Union, have the right to establish or modify various work shifts to meet operational needs and to enable Bechtel Jacobs and/or its subcontractors to operate

efficiently. It is understood that changes will only be implemented if they are mutually agreed to by Bechtel Jacobs and/or the subcontractor and the Union and will be subcontractor specific in nature.

## 7. **Benefit Programs for “Grandfathered” Employees**

The benefit programs provided by USEC, pursuant to the USEC Contract, will no longer apply to the employees of Bechtel Jacobs or its subcontractors, e.g., Pension Plan, Group Insurance Plan, Dental Expense Assistance Plan, etc. In place of those USEC benefit programs, Bechtel Jacobs and its first- and second-tier subcontractors will institute an identical Multiple Employer Pension Plan; implement a Retiree Health Care Benefit Plan which is identical to the plan offered to active Bechtel Jacobs employees under this agreement (in lieu of the USEC Retiree Health Care Benefit Plan with the exception of retiree dental which is shared cost); and provide substantially equivalent plans or programs which will apply to grandfathered employees covered by this Addendum as summarized in the Bechtel Jacobs Company LLC Handbook for Portsmouth.

A. “Grandfathered Employees” are individuals who meet the following conditions:

The individual was either: (1) an employee of Lockheed Martin Energy Systems, Lockheed Martin Utility Services, or Lockheed Martin Energy Research (collectively, LM) on March 31, 1998 or (2) a member of PACE (at the Portsmouth Gaseous Diffusion Plant or Paducah Gaseous Diffusion Plant) who was either a LM employee, a United States Enrichment Corporation (USEC) employee, or on the LM or USEC recall list on the date this Addendum is ratified and formally concluded, or who voluntarily quits USEC after June 20, 2000 to accept employment with Bechtel Jacobs prior to the ratification and effective date of this Addendum.

B. A “Grandfathered” employee who incurs a break in service of any length will continue to be a “Grandfathered” employee upon re-employment by Bechtel Jacobs or by any of its first-tier or second-tier subcontractors under this Addendum.

C. For clarification purposes, any employee who transfers from USEC to Bechtel Jacobs and/or its subcontractors, who was employed by USEC (or was on leave of absence) on the date that this Addendum is ratified, and formally concluded, shall be classified as a “Grandfathered Employee” without regard to the date that he or she transfers from USEC to Bechtel Jacobs or its subcontractor(s).

D. Employee benefits are summarized in the Bechtel Jacobs Employee Handbook for Portsmouth. Employee benefit plan documents are incorporated in this Addendum by reference, and shall include (See Attachment “C” for summary of benefit plans and programs):

- 1) Multiple Employer Pension Plan
- 2) Retiree Health Care Benefit Plan (same as plan provided to active employees in #3)
- 3) Employee Health Care Plan (medical, prescription drug and vision)
- 4) Dental Plan (plan in existence on date of ratification; retirees electing dental pay shared cost)
- 5) Employee Savings Plan

- 6) Basic and Supplemental Life Insurance Plan
- 7) Flexible Spending Accounts
- 8) Special Accident Insurance Plan
- 9) Employee Assistance Program
- 10) Basic Long-Term Disability Plan
- 11) Business Travel Accident Insurance Plan

- E. Notwithstanding provisions contained in any other benefit plan documents or notices, Bechtel Jacobs and/or its first- and second-tier subcontractors shall not eliminate any benefit plans or programs, nor shall they provide less than substantially equivalent benefit levels (subject to availability of such plans or programs), unless they notify and bargain with PACE, in accordance with applicable federal and state law. However, this obligation shall not apply to the Basic Long-Term Disability Plan in Section D.10 above for the term of this Addendum.
- F. For purposes of clarification, all "grandfathered" and "non-grandfathered" hourly employees covered under this Addendum who qualify for the Sickness and Accident Plan described in Article XVII, Section 3 of the USEC Contract shall receive non occupational disability (sick leave) payments consistent with Article XVII, Section 3 of the USEC contract.
- G. Service credits accumulated with USEC (and its predecessors) shall be credited by Bechtel Jacobs and/or its first- and second-tier subcontractors as outlined in the chart below.

<b>SERVICE CREDIT THAT TRANSFERS FROM USEC TO BECHTEL JACOBS AND/OR ITS SUBCONTRACTORS</b>						
	<b>Years of Service Credited for Vacation</b>	<b>Years of Service Credited for Pension that is Applied to MEPP</b>	<b>Years of Service Credited for Savings Plan 401(k)</b>	<b>Years of Plant and Classification Seniority Accrued in the Bargaining Unit</b>	<b>Years of Service Credited for Accrued Severance</b>	<b>Years of Service Credited of Eligibility for Retiree Health Care Benefits</b>
<b>Employees transitioned from USEC to BJC or subs under Section 15.A (receives no severance payment from USEC).</b>	X	X	X	X	X	X
<b>Employee voluntarily quits USEC and is employed by BJC or sub and receives no severance from USEC.</b>	X	X	X	X	X	X
<b>Employee who is laid off (voluntary or involuntary) and receives severance.</b>	X	X	X	X	<b>New Service Only</b>	X
<b>Employee who retires and collects pension &amp; severance from USEC.</b>			X		<b>New Service Only</b>	X

## **8. Benefit Programs for New Hires:**

- A. All benefit plans available and provided to “grandfathered employees” shall be provided to non- grandfathered employees by Bechtel Jacobs and its first- and second-tier subcontractors, except for participation in the Multiple Employer Pension Plan. Pension Plan benefits as set forth in the USEC Contract are not applicable to newly hired employees of Bechtel Jacobs or its subcontractors who are not defined as “grandfathered employees.” In lieu of the Multiple Employer Pension Plan, Bechtel Jacobs and its subcontractors will contribute the profit sharing component of a 401(k) profit sharing plan in an amount equal to 5.8% of the applicable hourly wage for every hour worked. Employee vesting in this profit sharing component shall be immediate. For purposes of clarification, the Retiree Health Care Benefits Plan will remain available to new hires in the same manner as “grandfathered” employees.
- B. The terms of plans or programs for “new hires” are summarized in the Bechtel Jacobs Employee Handbook for Portsmouth; the plan and program documents are incorporated in this Addendum by reference; and shall include the plans and programs and conditions listed in Section 7.D. (items 2-11) of this Addendum. The terms of certain plans and programs are summarized in Attachment “C.”
- C. Bechtel Jacobs and the Union agree to evaluate the use of a supplemental contributory retirement plan for new hires and grandfathered employees which is sponsored by PACE Industry Union-Management Pension Fund within 90 days of the written request of the Local Union President.

## **9. Scope of Work**

This Addendum shall cover EM/UP (Environmental Management/Uranium Programs) activities or projects as defined in the Department of Energy Contract No. DE-AC-05-98-OR-22700, as amended, or in the Bechtel Jacobs Lifecycle Baseline, as amended, or work scope assigned by the Department of Energy to Bechtel Jacobs and/or assigned by Bechtel Jacobs to its first- and second-tier subcontractors, regardless of funding source, that includes tasks, functions or activities which have historically or traditionally been performed by the PACE represented hourly workforce at the Portsmouth facility. The work scope shall be assigned and apply to the PACE workforce without regard to the applicability of any labor standards (prevailing wage) determination (e.g., Davis Bacon Act, Service Contract Act, etc.).

Bechtel Jacobs will not engage in, nor will it permit any of its subcontractors to engage in subcontracting of work below the second tier, whereby second-tier contracting is defined as two tiers below Bechtel Jacobs that applies to the bargaining unit.

Activities to be performed by PACE-represented workers under this Addendum includes, but is not limited to:

- A. WASTE MANAGEMENT: Packaging waste (which has been historically or traditionally

performed by bargaining unit workers); over-packing waste containers; repackaging waste containers; staging waste containers for shipment or sampling; used drum decontamination; loading waste containers for on-site and off-site transportation; operations of the site's waste water treatment facilities; operation and maintenance of waste storage facilities and landfills; operate groundwater pump-and-treat systems; inspections, maintenance and decontamination of PCB storage, collection and containment systems; inspection, maintenance and decontamination of PCB spill sites; and operations of waste treatment processes, excluding unique/special processes provided by vendors that are not historically or traditionally performed by the PACE workforce.

- B. DUF<sub>6</sub> CYLINDER MANAGEMENT: DUF<sub>6</sub> cylinder inspection, repair, movement, sampling, sandblasting, preparation for coating and painting, coating, painting, restacking, empty cylinder washing and cleaning, cylinder yard preventive and corrective maintenance, and other DUF<sub>6</sub> cylinder surveillance and maintenance functions that have been historically or traditionally performed by PACE.
- C. ASBESTOS ABATEMENT: asbestos abatement associated with maintenance, equipment repairs or modifications, and decontamination/decommissioning of process equipment and piping.
- D. SURVEILLANCE AND MAINTENANCE: surveillance and maintenance tasks of active and inactive facilities, including routine maintenance, D&D facility maintenance, and long-term stewardship activities. If USEC assigns, transfers or relinquishes leased equipment or property to the control of Bechtel Jacobs, that work which has historically or traditionally been performed by PACE.
- E. PAINTING: painting, except where related to new construction.
- F. SCRAPPED METALS: remove, operate electromagnetic crane, decontaminate, size reduce, package, stage, prepare for recycle or shipping, recycle, and conduct the on-site transport and disposal of all scrapped metals.
- G. ENVIRONMENTAL REMEDIATION/REMEDIAL ACTIONS: operate equipment and tools to excavate, treat and remove soil, sludge, sediment and buried waste; operate equipment and tools to scrape, dig, scoop, and muck-out sediments, soil and contamination from drainage ditches, sewers, and outfalls; on-site transportation of excavated waste and related materials to a disposal cell or staging area or on-site landfill; dispose of materials in an on-site landfill; operate equipment and tools to dig up burial grounds; excavate backfill material; install backfill materials; containerize and package excavated and residual waste materials for off-site shipment; operate on-site waste processing equipment, pump-and-treat equipment, and thermal treatment equipment; operate and maintain equipment to treat contaminated waste water and radionuclides that are collected during remedial activities ; preventative and corrective maintenance of instruments, electrical and collection systems; and decontaminate equipment after project completion. However, this subsection shall

not include operations of special equipment brought in by vendors which have not been historically or traditionally performed by PACE workers, unless mutually agreed to by Bechtel Jacobs and the Union.

- H. OPERATIONS AND MAINTENANCE: Operations and maintenance of all or part of the gaseous diffusion plants and process buildings (including hot or cold standby), in the event that USEC turns over all or part of the uranium enrichment facilities to the Department of Energy.
- I. SHUTDOWN/DEACTIVATION/DECONTAMINATION & DECOMMISSIONING: For those inactive facilities that are already designated by the Department of Energy for decontamination and decommissioning (such as X-770 and X-747H), and, for all or part of the gaseous diffusion plants, active or inactive (such as X-330 and X-333), and related support facilities (such as X-705, X-720 and process switchyards) and GCEP facilities (such as X-3001 and X-3346):
  - 1) safe shutdown,
  - 2) deactivation and stabilization,
  - 3) process systems disconnect (including all chemical, radiation and support utilities),
  - 4) removal of process equipment, process piping and related electrical, except heating, ventilation, and air conditioning ("HVAC"), structural and architectural features and non-process related electrical,
  - 5) decontamination of process equipment, process piping, and surplus materials, and equipment,
  - 6) size reduction and packaging/loading of process equipment and piping, and
  - 7) recycling of process equipment, piping and scrap materials.
- J. DOE MATERIAL STORAGE AREAS: decontamination, equipment handling, preparation for inspection, packaging, staging, processing and disposition of materials, equipment and waste in DOE Material Storage Areas;
- K. REINDUSTRIALIZATION/FACILITY REUSE: Reindustrialization/facility reuse support which is assigned to Bechtel Jacobs or its subcontractors for work historically or traditionally performed by PACE, including, but not limited to, decontamination, tie-in of utilities, repair of utilities, removal of equipment, and surveillance and maintenance of buildings.
- L. DOE FUNDED WORK SCOPES HISTORICALLY PERFORMED BY USEC: DOE funded work scopes transferred from USEC to Bechtel Jacobs in the future, including, but not limited to: site utilities, power operations, fire services, "captive" operations and maintenance work related to site infrastructure, and electronic infrastructure within Portsmouth site, radio network repairs, install and repair computers in DOE facilities, PA systems, calibration and repair of all radiological

instruments and test equipment, scale calibration and maintenance, all instrumentation and calibration and repair of electrical measurement equipment.

- M. GAS CENTRIFUGE ENRICHMENT PLANT (GCEP) including, centrifuge pre-deployment activities, surveillance, maintenance and operations.
- N. HIGHLY ENRICHED URANIUM related work including: HEU handling, removal and packaging, decontamination and decommissioning, and cylinder maintenance.
- O. The exclusion of any work scopes above shall not preclude work from being considered within the scope of this agreement.

**10. Future Work**

- A. Bechtel Jacobs shall provide a copy of the Portsmouth Life Cycle baseline, or the successor document, for both the Environmental Management or Enrichment Facilities/Uranium Programs, to the President of the Local Union on or before the beginning of each fiscal year for the Department of Energy. Bechtel Jacobs representatives shall review these Baselines with the President of the Local Union and Committee not less than 30 days after the beginning of each fiscal year (or 30 days after transmittal of the Baselines to the Union) for the purposes of identifying any additional work that had not been specifically identified in earlier Baselines. At this point, the parties shall evaluate and allocate this additional work as a Supplement to this Addendum, using the criteria of whether PACE members had historically or traditionally performed this work at Portsmouth, including, but not limited to, DUF<sub>6</sub> conversion facility operations and maintenance and/or metal smelting.
- B. As future work is identified and has not historically or traditionally been performed by PACE at Portsmouth, Bechtel Jacobs will notify PACE Local 5-689 in writing, not less than 60 days prior to Bechtel Jacobs commencing work or issuing a request for proposal or other bidding documents to prospective subcontractors. Prior to taking these steps, Bechtel Jacobs will negotiate in good faith to establish a jurisdictional definition for PACE workers. For this condition to be met, PACE commits that, consistent with a workforce restructuring plan in effect at the site, it will assist in referring the necessary skilled and qualified workforce.

**11. Existing Subcontracts**

- A. The Addendum shall not apply to certain existing subcontracts which were awarded prior to the effective date of this Addendum. These are outlined in Attachment "B" to this Addendum (except for computer and rad calibration which is a part of the work scope covered by this agreement).
- B. If Bechtel Jacobs, or its first tier subcontractor, amends or modifies one of its subcontracts listed in Exhibit "B" to add new scope(s) of work such that these scope(s) of work would include work covered under Sections 3, 9, or 10 of this Addendum, then Bechtel Jacobs and/or its subcontractor shall notify PACE not less than 7 days prior to concluding such amendment and shall comply with the terms of this Addendum for such additional work scope(s).

**12. Training**

- A. The parties jointly recognize the critical importance of training to the success of the Portsmouth missions, and will cooperate to the fullest extent in establishing, supporting, and seeking government and/or other assistance or grants for all

appropriate training programs for PACE- covered work performed at the Portsmouth site. This includes the use of the PACE HAZWOPER training by Bechtel Jacobs and its subcontractors for PACE represented workers; provided, that the parties shall identify and resolve any concerns about the implementation of the DOE approved HAZWOPER program through prompt consultation.

- B. The Company is fully committed to provide training and retraining for the PACE bargaining unit workforce to assure an optimal match of skills with project requirements, subject to the availability of funding for this training and the DOE's Portsmouth site workforce restructuring plan. These training programs, if required, will be developed to minimize the social and economic impacts from changes to the workforce and maximize re-employability of PACE members at the site.

**13. Pension and Savings Plan Agreements between USEC and Bechtel Jacobs**

The Pension Asset Transfer Agreement between Bechtel Jacobs and USEC (dated January 7, 2000), Pension Asset Transfer Agreement between USEC and Bechtel Jacobs (dated January 7, 2000), and the Asset Transfer Agreement from the USEC Savings Plan to the Bechtel Jacobs Savings Plan (dated January 7, 2000) are hereby incorporated in this Addendum at Attachment "H."

**14. Amendments to the USEC Contract as Applicable to this Addendum**

The following articles, sections, and paragraphs of the USEC Contract are modified only for purposes of this Addendum:

- A. Amendment to USEC Contract Article VII, Section 2  
Section 2 is amended to add the following:

"The President of the local union and other officers shall at all times retain the right to represent employees. Time spent for such representation shall be funded by Bechtel Jacobs on an equitable basis through work authorizations with USEC without impact to wages."

**B. Amendment to USEC Contract Article VIII, Section 1 (j)**

Add the following at the end of Section 1(j) entitled "Group":

"Work groups are established to facilitate the effective and efficient flow of work. It is understood that individuals in a work group will perform specific tasks within the proper jurisdiction of their classification, as directed by supervision, in support of activities of the work group."

**C. Amendment to Article VIII, Section 6 - Permanent, Additional, Temporary Movements**

Section 6 is amended to add the following before subpart (a):

The parties agree that an important aspect of the execution of work by Bechtel Jacobs and its first- and second-tier subcontractors during the term of this Addendum is the permanent, additional and temporary movement of hourly personnel. Furthermore, the parties recognize that personnel movement must be handled with considerable care. Therefore, during the term of this Addendum no bidding will be permitted between various subcontractors and between these subcontractors and Bechtel Jacobs, unless mutually agreed by Bechtel Jacobs, and the affected subcontractors and the Union.

**D. Amendment to Article X, Section 4 - Responsibility**

Substitute the following for Article X, Section 4(a) first paragraph:

- 1) The Union stewards will be responsible for maintaining the overtime list and ensuring that overtime is offered to employees in accordance with the supplemental agreement. Number of stewards per contractor will be based on the following formula: 30 or less bargaining unit employees equals one; 60 or less employees equals two, etc. It is understood that stewards will be allowed a reasonable amount of time to perform this activity. The Steward will be paid 15% in addition to their applicable base hourly rate for actual time spent during scheduled work hours in this activity.
- 2) Overtime lists will be established by classification or within classifications as determined by the Company. Lists will be arranged by seniority. Overtime will be offered to the most senior, low-houred employee; however, deviations from this procedure can be made for good reason if not more than sixteen (16) hours difference exists between employees within an overtime list. Employees on any leave of absence ("LOA") will not be canvassed for overtime. They will be bypassed until they reach 16 hours, after which they will be charged only enough to keep 16-hour balance. Employees should not be called while on any type of LOA.
- 3) Employees working in a temporary salary capacity will not be offered overtime but will be charged for all overtime that is worked which he/she could have been offered. However, if the charge would exceed the sixteen (16)-hour balance, he/she will only be charged up to the sixteen (16)-hour differential.
- 4) Anytime the overtime balance exceeds sixteen (16) hours, the company, at the request of the union, will meet and attempt to balance the overtime between employees.
- 5) Bechtel Jacobs and its first- and second-tier subcontractors shall evaluate this modification as it pertains to stewards maintaining and assigning overtime. Such evaluation shall occur one (1) year after ratification of this Addendum, and determine whether this modification should be maintained, modified or deleted. Such changes shall only be made by mutual agreement of the parties.

**E. Article XVI - Miscellaneous**

Add a new subsection 14 to Article XVI as follows:

"(14) Arbitrator's Decision and Precedent-Setting Grievance Answers

All arbitration decisions, written agreements, and precedent-setting grievance answers which specifically deal with clarification and/or interpretation of the USEC Contract will also apply under this Addendum. Past practices and verbal agreements that are applicable to this Addendum are listed in Attachment "E" to this Addendum. Past practices not in writing shall not apply to subcontractors. However, past practices with respect to work scope covered under the USEC contract or in Article 3 of this Addendum (Application of this Addendum) shall apply to Bechtel Jacobs and its subcontractors without regard to the content of Attachment "E."

F. Article XVI, Section 12 - Miscellaneous

Article XVI, Section 12 and the Memorandum of Understanding dated September 1, 1996, related to subcontracting is suspended for the period that this Addendum is in effect.

G. Article XVI, Miscellaneous

Add a new section :

"Nothing herein shall preclude PACE-represented USEC employees from performing work in Bechtel Jacobs facilities, as needed, on a work authorization issued by Bechtel Jacobs or its subcontractors."

H. Amendment to April 1, 1996 Memorandum of Agreement on Overtime Limitations

For purposes of this addendum, the Memorandum of Agreement on Overtime Limitations of April 1, 1996 does not apply. If any regulatory entity, including DOE, seeks to regulate hours of work, Bechtel Jacobs and the Union agree to make necessary modifications, but only by mutual agreement.

15. Filling Permanent Vacancies

A. **Work Scope Transition from USEC to Bechtel Jacobs and/or its first- and second-tier Subcontractors**

- 1) If and/or when Bechtel Jacobs plans to self perform or subcontract functions that, at the time of transition, are being performed by USEC bargaining unit employees, then Bechtel Jacobs and/or its first- and second-tier subcontractors shall offer a right of first refusal to USEC hourly employees in the classifications performing the work being transitioned, starting with the most senior employee in the classification and proceeding down the list to the least senior employee in the classification.
- 2) In the event vacancies cannot be filled for functions that are being transitioned from USEC to Bechtel Jacobs or its subcontractors, then the hiring procedures listed in subsection "B" below shall be followed by Bechtel Jacobs and/or its first- and second-tier subcontractors.

B. **Filling All Other Vacancies**

With the exception of positions covered under Subsection A.1 above, Bechtel Jacobs and/or its first- and second-tier subcontractors shall fill vacancies for positions covered under Sections 3 ("Application of this Addendum"), 9 ("Scope of Work"), and 10 ("Future Work") by providing a right of first refusal in the following order:

- 1) those qualified bargaining unit employees in order of classification seniority who have been notified of a layoff with Bechtel Jacobs and/or a first- or second-tier subcontractor at Portsmouth.
- 2) those qualified bargaining unit employees in order of classification seniority who are on the recall list or who are eligible under Section 3161 of the FY 93 Defense Authorization Act (as amended by the USEC Privatization Act of 1996) and who were laid off (through voluntary or involuntary separation) from

- (a) Bechtel Jacobs and/or a first- or second-tier subcontractor, or
  - (b) USEC or
  - (c) Lockheed Martin Utility Services at Portsmouth.
- 3) When a vacancy cannot be filled by the procedure in 1 or 2 above, the vacancy shall be posted on posting boards that are routinely viewed by hourly employees of Bechtel Jacobs and/or its first- and second-tier subcontractors and, whenever feasible, posted on the Union's or USEC's posting boards within USEC controlled areas. Under this subpart, vacancies shall be awarded first to the active qualified bargaining unit employee(s) of Bechtel Jacobs and/or its subcontractors, and then to USEC bargaining unit employees with the most plant-wide seniority who have signed the posting. Posting notices shall reflect this order of priority in hiring.
- 4) When a vacancy cannot be filled by the procedure in 1, 2 or 3 above, employees laid off by Bechtel Jacobs, and/or its first- and second-tier subcontractors and/or USEC shall be provided a preference in hiring using plant wide seniority provided he/she has the skills and qualifications to assure competent job performance. Notification shall be made by mail. If necessary, the affected employee(s) will have the opportunity to demonstrate to the subcontractor that he/she has the skills and qualifications necessary to perform the work. In filling these positions, Bechtel Jacobs and/or the subcontractor shall provide job- and task-specific training to assure competent job performance; provided, this training requirement shall not include an obligation to provide fundamental skills training or craft-specific training, unless Bechtel Jacobs and/or subcontractor opts to provide such training at its discretion.
- 5) Those qualified non-bargaining unit employees who are laid off from Bechtel Jacobs and/or its first- and second-tier subcontractors or who are laid off from USEC (through involuntary or voluntary separations), and who are covered under Section 3161 of the FY 93 Defense Authorization Act (as defined in the USEC Privatization Act of 1996).
- 6) Those qualified bargaining unit employees laid off (through voluntary or involuntary separations) from Bechtel Jacobs or USEC at Paducah and who are covered under Section 3161 of the FY 93 Defense Authorization Act (as defined in the USEC Privatization Act).
- 7) Those qualified employees laid off at other Department of Energy facilities and who are covered under Section 3161 of the FY 93 Defense Authorization Act.
- 8) Those qualified bargaining unit employees receiving retirement benefits from USEC at Portsmouth, in order of seniority.
- C. Bechtel Jacobs will maintain a site-wide recall list by classification seniority of PACE represented employees laid off from Bechtel Jacobs and/or its first- and second-tier subcontractors, and USEC (when supplied). To the extent that USEC supplies PACE with updated list(s) of USEC employees notified of layoff or on the USEC recall lists, the Union shall assist by providing Bechtel Jacobs with a copy of such list(s).
- D. Prior to filling vacancies, Bechtel Jacobs and/or its first- and second-tier subcontractor shall consult with PACE concerning the availability of employees on the USEC and Bechtel Jacobs recall lists, and those eligible under Section 3161 of the FY 93 Defense Authorization Act (as defined in the USEC Privatization Act).
- E. If no qualified employees can be obtained in a timely manner from the eight (8) aforementioned sources above, then Bechtel Jacobs and/or its subcontractors may hire qualified employees from any source.
- F. After vacancies have been awarded, a list of employees who were awarded such vacancies shall be posted at

appropriate posting locations. Copies of these lists shall be sent to the Union.

- G If the employee on layoff from Bechtel Jacobs and/or its subcontractors does not accept the offer of recall, he/she shall be removed from the recall list.

**16. Reductions in Force by Bechtel Jacobs and Its Subcontractors**

- A. Reductions in force by Bechtel Jacobs and its subcontractors shall be governed by the provision of Article VIII, Section 5 of the USEC Contract. Article VIII shall be amended to add at the end of Section 5(b):

“When a first- or second-tier subcontractor schedules a layoff, that subcontractor will provide ninety (90) days notice to Bechtel Jacobs and the President of the Union. Upon receiving notice Bechtel Jacobs will initiate the following steps to provide for continuing employment by:

- 1) transitioning the affected employee(s) to vacancies with other first- or second-tier subcontractors at the Portsmouth site, provided work is available, consistent with classification seniority;
- 2) transitioning employees to Bechtel Jacobs, provided work is available, consistent with classification seniority; and
- 3) in the event no position is available in either of the two preceding steps, then the affected employee(s) may displace, if he/she so desires, the least senior employee with Bechtel Jacobs and/or another first- or second-tier subcontractor in their classification.
- 4) In the event there is no position available in the three preceding steps, the affected employee shall have the opportunity to bump into their base classification with Bechtel Jacobs and/or a first- or second-tier subcontractor.
- 5) If openings are not available in classifications to which an employee may bump, or if the individual’s seniority is not sufficient to secure a position under procedures 1,2,3 or 4 above, then the affected employee shall be provided a preference in hiring for other positions, based on plant-wide seniority, provided he/she has the skills and qualifications to assure competent job performance. If necessary, the affected employee(s) will have the opportunity to demonstrate to the subcontractor that he/she has the skills and qualifications necessary to perform the work. In filling these positions, Bechtel Jacobs and/or the subcontractor shall provide job- and task-specific training to assure competent job performance; provided, this training requirement shall not include an obligation to provide fundamental skills training or craft-specific training, unless Bechtel Jacobs and/or subcontractor opts to provide such training at its discretion.”

**17. Seniority Lists**

A site-wide seniority list for Bechtel Jacobs, and its first and first- and second-tier subcontractors will be maintained by Bechtel Jacobs and used by Bechtel Jacobs and its subcontractors in cooperation with the Union.

**18. Modification of Terms**

It is understood that this document may be altered, changed, or amended but only by mutual written agreement of the parties.

IN WITNESS WHEREOF, each of the parties has caused this Contract (consisting of the USEC Contract and the terms of this Addendum) to be executed on August 17<sup>th</sup>, 2000 by its duly authorized representatives after the Addendum was ratified on July 14, 2000.

**Bechtel Jacobs Company LLC**

**Paper, Allied-Industrial, Chemical  
& Energy Workers International Union**

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PACE International Representative  
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Paper, Allied-Industrial, Chemical & Energy Workers  
Union, Local 5-689

Version 10 (8/17/00)

**List of Attachments to Bechtel Jacobs/PACE Addendum:**

- Attachment A Memorandum of Understanding “New Waste Handler Work Groups” dated April 1, 1996
- Attachment B List of Existing Subcontractors
- Attachment C Benefit Plans
- Attachment D Long-Term Disability Plan
- Attachment E List of Past Practices, Verbal Agreements and Practices
- Attachment F Bechtel Jacobs Exhibit “J” as it relates to PACE
- Attachment G Memorandum of Agreement Regarding the Administrative Clarification of Roles and Responsibilities Regarding the Bechtel Jacobs Company-PACE Addendum When Bechtel Jacobs Uses Subcontractors for PACE-Covered Work
- Attachment H Pension Asset Transfer Agreement between Bechtel Jacobs and USEC; Pension Asset Transfer Agreement between USEC and Bechtel Jacobs; and Asset Transfer Agreement (Savings)
- Attachment I Four (4) Commitment Letters: (1) July 14, 2000, Agreement for Benefits Representative Providing Services to Bechtel Jacobs, (2) July 13, 2000, Vacation Pay, (3) August 17, 2000, Resolution of Disputes on Reasonable and Customary Charges for Medical Services, (4) August 17, 2000, Modification of the Bechtel Jacobs Multiple Employer Pension Plan (“MEPP”) for Grandfathered Employees at the Portsmouth, Ohio site.

**ATTACHMENT "A"**  
**of**  
**Addendum Between**  
**Bechtel Jacobs Company LLC (hereinafter "Bechtel Jacobs" or the "Company")**  
**and**  
**Paper, Allied-Industrial, Chemical and Energy Workers International Union**  
**and its Local No. 5-689 (hereinafter PACE or the "Union")**

**Memorandum of Understanding**

**New Waste Handler Work Groups**  
**Dated April 1, 1996**

Page 146 of the basic agreement, change to read:

The company and the union agree that:

1. Wages and classification seniority for all current Chemical Operators will not be affected by this Memorandum of Agreement.
2. Wages for classifications higher than 17-0 which move into these work groups shall be paid at labor grade 17-0.
3. Wages for classifications in labor grades 14-0, 14-S, 15, 15-0, 16, 16-0, and 17 which move into these work groups shall be paid at that applicable labor grade for one year or until Chemical Operator training is satisfactorily completed, whichever is earlier.
4. Wages for classifications below labor grade 8 who move into these work groups shall be paid at labor grade 8 for one year or until Chemical Operator training is satisfactorily completed, whichever is earlier.
5. In all other situations, Article XI, Section 3 applies.
6. Appendices A, B, and C shall be changed accordingly.

**ATTACHMENT "B"**  
**of**  
**Addendum**  
**Between**  
**Bechtel Jacobs Company LLC (hereinafter "Bechtel Jacobs" or the "Company")**  
**and**  
**Paper, Allied-Industrial, Chemical and Energy Workers International Union**  
**and its Local No. 5-689 (hereinafter PACE or the "Union")**

**List of Existing Subcontractors**

The following subcontracts were awarded prior to the negotiation of the Addendum between PACE and its Local 5-689 and Bechtel Jacobs Company, as defined in Item 11 of the Addendum, as follows:

23900-BA-SMO47F	PORTS Site Services	WASTREN
23900-BA-SMO46F	PORTS Waste Management	WASTREN
23900-SC-SMO02F	Groundwater/Services Environmental	EQ Midwest
23900-BA-SM200F	General Construction Task O	DKM Construction
23900-BA-SM100F	General Construction Task O	DKM Construction
23900-SC-SM108F	X-7725 Roof Area 4	H. J. Becker
23900-SC-SM121F	Quad 1	I.T. Corp
23900-SC-SMO34F	X-734 Landfill Closure	Petro Env.
8BS-JTU49V	Large Scale Declassification	Theta Engineering

Oak Ridge Three-Site Subcontracts:

BA-ES144F	Miscellaneous Engineering Services	PRO-2-SERVE
BA-ES008	General Engineering Services	Tetra Tech
BA-25029F	Nuclear Criticality Safety Rad.Eng.RCAAS	Westinghouse
BA-BM002F	Office and Administrative Services	C. J. Enterprise
BA-HR006F	Training Services	Tech. & Field Eng.
BA-EH007U	Radiological Control	Safety & Ecology Corp./Radcon*
BA-AT009F	Information Systems/Company Level	Theta

Technologies,  
Information Control, etc.

Inc. (NCI)\*

*\*The computer and rad calibration work is PACE covered work under the Addendum and shall not be deemed an existing subcontract.*

**Attachment "C"**  
**of the**  
**Addendum**  
**Between**  
**Bechtel Jacobs Company LLC (hereinafter "Bechtel Jacobs" or the "Company")**  
**and**  
**Paper, Allied-Industrial, Chemical and Energy Workers International Union,**  
**and its Local No. 5-689 (hereinafter PACE or the "Union")**

**BENEFIT PLANS**

**Bechtel Jacobs Company LLC  
Portsmouth PACE Benefit Plans Comparison  
April 7, 2000**

**MEDICAL PLAN**

	Current CIGNA Plan	100/90% PPO Plan
Deductible	Ind: \$100 Family: \$200  Includes: Deductible carry-over provision Common Accident deductible provision	In Network: Indiv. \$0 Family \$0  Out network: Indiv. \$100 Family. \$200  Deductible credit and out of pocket credit can be given. Individual credit with eob. (If credit for large group must be submitted electronically.)
Out-of-Pocket Max	Ind: \$600 Family: \$1,200  Excludes: MHSA co-pays, 50% surgeon expenses & inpatient hospitalization not approved	In Network: Indiv. \$0 Family \$0  Out network: Indiv. \$600 Family \$1200
Lifetime Max	\$1,000,000  Restoration of up to \$5,000 per year	\$1,000,000  Includes \$10,000 yearly restoration.
Office Visit Co-pay	N/A	None

<b>Benefits</b>		
Doctor Visit	In: 100% - No ded. Out: 90% - After ded.	In: 100% - No ded. Out: 90% - After ded.
Second Surgical Opinion	100%	100% However, Aetna recommends any SSO be covered at the same benefit levels as the physician charges.
Hearing Aids		1 aid per ear per member covered at 100%. Not subject to ded. \$500 max every 3 years.
Physical Therapy		60 day visit limit per condition
X-Ray and Lab.	90% after ded.	In: 100% - No ded.
Inpatient Hospital / Surgery	In: 100% - No ded. 50% - After ded. if a mandatory second opinion is not obtained for certain procedures. Out: 90% - After ded.	<b>7. Out: 90% - After ded</b> In: 100% - No ded. <b>7. Out: 90% - After ded</b>
Outpatient Surgery	100% - No ded. 90% - After ded. for accident related surgery 50% - After ded. if a mandatory 2nd opinion isn't obtained for certain procedures	In: 100% - No ded. Out: 90% - After ded
Pre-Admission & Post-Confinement Testing	100% - No ded. if performed 14 days prior to or after confinement 90% - After ded. if no confinement or test duplicated during confinement	In: 100% - No ded Out: 90% - After ded (Aetna follows hospital guidelines to determine time frames for testing.)

<b><i>Preventative Care</i></b>		
Immunization	90% After ded.	In: 100% - No ded Out: 90% - After ded Flu shots are covered. Must be medically necessary.
Well-Child	90% After ded.	In: 100% - No ded Out: 90% - After ded 6 visits year 1. 2 visits ages 1-2. Ages 2-6 = 1 per 12 mo. Ages 7-64 = 1 per 24 mo.
Well-Woman	90% After ded.	In: 100% - No ded Out: 90% - After ded Limit 1 per cal year
Routine Physical Exam	90% After ded.	In: 100% - No ded Out: 90% - After ded Limit to 1 visit each 24 months for ages 7-64
Routine Mammogram	90% After ded.	In: 100% - No ded Out: 90% - After ded For age 40+. Limit 1 per cal year Plan pays up to \$85
<b><i>Emergency Care</i></b>		
Doctor Office	100% - No ded.	In: 100% - No ded Out: 90% - After ded
Emergency Room	90% - After ded.	100% - No ded
Emergency Conditions	Within 48 hours of an accident or for treatment of a sudden, serious, and life-threatening illness.	For treatment of sudden/serious onset of illness or injury
Ambulance	90% - After ded.	90% - After ded. (must be medically necessary)

<b><u>Other Services</u></b>		
Birthing Centers	100% - No ded.	In: 100% - No ded
Cancer Therapy	100% - No ded.	<b>7. Out: 90% - After ded</b> In: 100% - No ded Out: 90% - After ded
Midwife	90% - After ded.	In: 100% - No ded. Out: 90% - After ded.
Chiropractor	90% - After ded.	90% in- and out-of-network, after ded
		Max: 60 visits per cal. year
Durable Medical Equipment	90% - After ded.	In: 100% - No ded Out: 90% - After ded.
<b><u>Hospice / Home Health/ SNF</u></b>		
Hospice Inpatient / Outpatient	100% - No ded.	In: 100% - No ded Out: 90% - After ded
	Max.: 60 days per cal. year	Max: 60 days per cal year
Hospice Physician, Social Worker, Psychologist & Bereavement Counseling	100% - No ded. Max: \$2,500	In: 100 % - No ded Out: 90% - After ded (Coverage is for hospice patient " not bereavement counseling) Max: \$5,000
Home Health	100% - No ded.	In: 100 % - No ded Out: 90% - After ded
	Max.: 60 visits per cal. year	Max: 120 days per cal. year
Skilled Nursing Facility	100%	In: 100 % - No ded Out: 90% - After ded 120 day per convalescence
	Max.: 60 days per cal. year	Prior hospitalization required

<b>MH/SA</b>		
Mental Health Inpatient	90% - After ded. for first 30 days	In: 100% - No ded Out: 90% - After ded
Substance Abuse Inpatient	80% - day 31 forward 90% - After ded.  Max.: 45 days per cal. year	Max: 30 days per cal. year In: 100% - No ded Out: 90% - After ded  Max: 30 days per cal. year
Mental Health (MH) & Substance Abuse (SA) Outpatient Treatment Combined	90% - After ded.  Max.: \$3,000 per cal. year ( <i>Does not comply with Mental Health Parity Act</i> )	In: 100% - No ded Out: 90% - After ded  MH Max: 30 visits per cal. year SA Max: \$3,000 per cal. year
<b>Prescription</b>		
Drug & Medication	90% - After ded.	90% - After ded.  <u>Mail Order:</u> 90 days Generic: In: 100% - \$5 co-pay Out: N/A  90 days Brand: In: 100% - \$15 co-pay Out: N/A  Non-Participating Mail Order Pharmacy Benefits " Not Covered. Does not go towards out-of-pocket maximum.

<b>Eligibility</b>		
Employee	Full-time permanent on first day of employment	Full-time on first day of employment
	Full-time temporary after 4 months of employment	
Dependent Age	24	24
Failure to pre-certify	\$300	\$300 per incident No coverage for non“medically necessary procedures.

<b>Dental</b>		
	Coverage is automatic	Have to enroll to be eligible
	Unmarried children eligible up to age 19 (up to age 24 if wholly dependent on you for support and maintenance)	Unmarried children eligible up to age 24
	Maximum amounts: \$1000 in on calendar year \$1000 for orthodontics in a for children to age 24	Maximum amounts: \$1500 in one calendar year \$1500 for orthodontics in a lifetime for children to age 24
	Deductible: \$25 individual per calendar year \$50 maximum per calendar year per family	Deductible: \$50 individual per calendar year

Note: This is intended to be a plan design summary. Please refer to the Plan Documents for details on plan benefits, limitations and exclusions.

The following providers have confirmed they will duplicate existing Portsmouth PACE benefits:

- Dental (MetLife)
- Vision (Vision Service Plan) already included in the Medical Plan and in the medical costs.
- Life (MetLife)
- Special Accident (LINA)

## **ATTACHMENT “D”**

### **LONG-TERM DISABILITY PLAN**

#### **(A) Administration of the LTD Plan**

Under the Portsmouth PACE Collective Bargaining Agreement Sickness and Accident Plan, there may be situations whereby Sick Leave coverage could end prior to LTD Plan benefits beginning according to the current PACE Sickness Accident Plan schedule; therefore, no payment would be made to participants should this occur during this time period. However, in no situation will LTD coverage or payment be in effect until the Portsmouth PACE scheduled time off under Sick Leave is exhausted from the date of disability. Eligible employees must have been an active employee before any benefits can be received, and all pre-existing conditions, exclusions, and reductions of benefits apply.

The administration of the Long-Term Disability Plan and the payment of benefits under this Plan shall be handled directly by the Insurance Provider, it being understood that a claimant whose benefits claim is denied may contest such denial with the Insurance Provider, but that he or she shall have no redress against the Bechtel Jacobs Company or its subcontractor(s). It is agreed, however, that in any case in which an employee claiming benefits under this Plan and desiring to file such claim with the Insurance Provider becomes engaged in a non-medical factual dispute with the Bechtel Jacobs Company in connection with such claim (such as a disagreement over his or her earnings group, eligibility, employment status, amount of Company Service Credit or other non-medical factual question) such employee and the Union may process a grievance in accordance with the terms of this Contract. It is agreed, however, that any and all medical questions in dispute shall be determined solely by the Insurance Provider. It is understood that Bechtel Jacobs Company shall retain the right to select and arrange with an Insurance Provider to provide certain benefits available under these Plans; and to replace the Insurance Provider from time to time as it may deem appropriate; and to change the provisions of the LTD Plan for collective bargaining unit employees consistent with salaried employees’ LTD plan provisions.

#### **(B) Company Service Credit and Continuous Service Credit During Approved Non-Occupational or Occupational Absences**

An employee who is disabled and unable to work will receive Bechtel Jacobs Company/Subcontractor Service Credit and “continuous service credit” for the period of his or her Long-Term Disability approved by the Insurance Provider.

## **(C) Benefit Program**

The Long-Term Disability Program benefits apply to bargaining unit and non-bargaining unit employees and is a contractual arrangement between the Insurance Provider and Bechtel Jacobs Company on behalf of all Bechtel Jacobs Company and its first- or second-tier Subcontractor employees.

## **(D) Pre-existing Condition**

A participant in the plan may be disabled due to a pre-existing condition. No benefits are payable under the plan in connection with that disability unless the first six months of that disability began after participant was an active employee under this plan for 12 consecutive months. A pre-existing condition is an injury, sickness, or pregnancy which occurred in the three months before you were hired by Bechtel Jacobs or a first- or second-tier subcontractor and for which you:

- (1) Received medical treatment consultation, care, or services, or
- (2) Took prescription medications or had medications prescribed, or
- (3) Had symptoms or conditions which would cause a reasonably prudent person to seek diagnosis, care, or treatment.

## **(E) Exclusions**

This plan does not cover any disability that results from or is caused by or contributed to:

- War, insurrection or rebellion, or
- Active participation in a riot, or
- Intentional self-inflicted injuries or attempted suicide, or
- Committing a felony.

No benefits are payable for claims submitted more than one year after the date of disability. However, a participant can request that benefits be paid for late claims if a participant can show that:

- It was not reasonably possible to give written proof of disability during the one-year period and,
- Proof of disability satisfactory to Insurance Provider was given to Insurance Provider as soon as was reasonably possible.

A participant is required to apply for social security and any other income they may be eligible to receive as a result of their disability. Insurance Provider provides assistance to participants in applying for social security disability benefits.

## **(F) Reduction of Benefits**

Long-term disability benefits are reduced by certain sources of income that are payable to the participant because of disability, unless otherwise provided by law. Other benefit income that may reduce long-term disability benefits includes but is not limited to:

- Workers' Compensation benefits or benefits provided under a similar law, state disability benefits, and other statutory benefits for disability or unemployment, except where otherwise established by a law or ruling that specific compensation benefits shall not be counted to reduce or offset insurance or disability payments;
- Benefits provided through Bechtel Jacobs Company benefit plans including pension and Business Travel Accident insurance plans to the extent benefits are attributed to the Company's contribution, and;
- Social security benefits.

## **(G) Medical Arbitration**

The Bechtel Jacobs Company and/or its subcontractors long-term disability is separated into two phases. The first phase includes the first twenty-four months a participant is disabled. During this period, employees are considered disabled if they are unable to earn more than 80 percent of their pre-disability earnings at their own occupation for any employer in the local economy. During the second phase, employees are considered disabled if they are unable to earn more than 60 percent of their pre-disability income from any local employer at any gainful occupation, hereafter, referred to as totally and permanently disabled. An employee is only entitled to a third doctor's opinion if a dispute arises as a result of an employee's claim that he/she is totally and permanently disabled as defined above and continues to be totally and permanently disabled, the dispute shall be resolved in the following manner upon the filing with the Bechtel Jacobs Company or its subcontractor(s) of a written request for review by such employee not more than 60 days after receipt of denial.

The employee shall be examined by a physician appointed for the purpose by the Bechtel Jacobs Company and by a physician appointed for the purpose by the Union. If they disagree concerning whether the employee is totally and permanently disabled, the question shall be submitted to a third physician selected by such two physicians. The medical opinion of the third physician, after examination by him or her of the employee and consultation with the other two physicians, shall be final and binding on the Bechtel Jacobs Company, or its subcontractor(s), the Union, and the employee. The fees and expenses of the third physician shall be shared equally by the Bechtel Jacobs Company, or its subcontractor(s), and the Union.



## **Conditions of Payment for Long-Term Disability**

- (a) Payments under the Long-Term Disability Plan will not be made for:
- (1) Any disability occurring during the first 12 months that the employee's plan coverage is in effect if caused by any condition for which he/she received treatment during the six (6)-month period before his/her coverage became effective, or
  - (2) Any period of incapacity beyond the second consecutive calendar day during which the employee is not under treatment by a licensed practicing physician, or
  - (3) Any disability caused directly or indirectly by war declared or undeclared, or
  - (4) Any intentionally self-inflicted injury, or
  - (5) Any disability resulting from commission of a felony, or
  - (6) Any disability due to willful misconduct, violation of plant rules, or refusal to use safety appliances.
- (b) Payments under these plans will be made only to employees whose absence is due to non-occupational or occupational disability and will not be paid to employees who are absent for other reasons.
- (c) Payments will only be made when the Bechtel Jacobs Company or its subcontractor(s) is provided, if it so requests, with a doctor's certificate, subject to confirmation by a doctor selected by the Bechtel Jacobs Company, as proof that the employee's absence was due to legitimate non-occupational or occupational illness or injury.
- (d) Payments will only be made when employees properly report their absence and the cause of their absence to the proper Bechtel Jacobs Company or its subcontractor(s) representative in a prompt manner.
- (e) Payments are applicable only for the normal workweek and normal workday. In the event that working hours of the plant are changed, it is understood that payment under the above schedule will be changed in direct proportion to the change in working hours.
- (f) It is recognized by the Union that the Bechtel Jacobs Company or its subcontractor(s) has a continuing interest in reducing absenteeism, no matter what the cause.

## **SICKNESS AND ACCIDENT PLAN**

### **(A) ADMINISTRATION OF SICKNESS AND ACCIDENT PLAN**

The administration of the Sickness and Accident Plan and the payment of benefits under this plan shall be handled by the Bechtel Jacobs Company for employees of Bechtel Jacobs and its first- or second-tier subcontractors.

### **(B) CONDITIONS OF PAYMENT FOR SICKNESS AND ACCIDENT PLAN**

Conditions of Payment for the Sickness and Accident Plan shall be exclusively governed by Article XVII of USEC Contract.

## **ATTACHMENT “E”**

### **PAST PRACTICE**

It is not intended by these provisions to automatically eliminate verbal understandings and establish practices which are inconsistent with present contract language. However, any verbal understanding should be utilized only as long as practicable and past practice relied upon should be established by repetitive example not isolated instances.

1. Company time and pay for physician review, exams, and tests provided for under contract provisions including but not limited to leaves of absence, physical exams, and restriction review.
2. Travel time, regular pay and mileage pay for travel to physician or hospital for contractual medical examinations and reviews including occupational and non-occupational leaves of absence.
3. Where issues of discrepancy arise concerning any benefit and privilege, provisions of the collective bargaining agreement will always apply and shall be utilized to settle such difference.
4. Employer provided Safety shoes and insulated boots where justified by job scope and safety concern.
5. Safety glasses and eye exams provided by the employer.
6. Modesty garments and coveralls provided by the employer.
7. Under garments provided by the employer.
8. Alternative work schedules due to weather restraints.
9. Job descriptions 1/26/76 supplement to article XV.
10. PACE 5-689 elected Benefits person(s) utilized to adjudicate benefit related issues including but not limited to Health Plan, Pension Plan, & Worker’s Compensation.

**ACTING UNDER US DEPARTMENT OF ENERGY PRIME CONTRACT  
NO. DE-AC05-98OR22700**

**ATTACHMENT “F”**

**EXHIBIT J**

**(as related to PACE)**

**LABOR STANDARDS DETERMINATIONS**  
**(PACE Recognized Work under the Bechtel Jacobs-**  
**PACE and its Local 5-689 Addendum [Portsmouth, OH])**

**1. PACE COVERED WORK (Davis-Bacon Act)**

- A. For any portion of the scope of work within this subcontract, Exhibit "D," that is identified as "Covered Work under the Davis-Bacon Act, and is incorporated in Sections 3, 9, or 10 of the Addendum" between Bechtel Jacobs and PACE and its Local 5-689 (Portsmouth, OH), the SUBCONTRACTOR agrees in the performance of this Subcontract to comply fully with the clauses of the GENERAL CONDITIONS (Exhibit A) and SPECIAL CONDITIONS (Exhibit B) incorporating the requirements of the Davis-Bacon Act, and SUBCONTRACTOR agrees to obtain its workers in accordance with Section 15 of Addendum between Bechtel Jacobs Company LLC and PACE, which requires hiring in the following order:
- 1) those qualified bargaining unit employees in order of classification seniority who have been notified of a layoff with Bechtel Jacobs and/or a first- or second-tier subcontractor at Portsmouth;
  - 2) those qualified bargaining unit employees in order of classification seniority who are on the recall list or who are eligible under Section 3161 of the FY 93 Defense Authorization Act (as amended by the USEC Privatization Act of 1996) and who were laid off (through involuntary separation) from
    - (a) Bechtel Jacobs and/or a first- or second-tier subcontractor, or
    - (b) USEC, or
    - (c) Lockheed Martin utility Services at Portsmouth.
  - 3) When a vacancy cannot be filled by the procedure in 1 or 2 above, the vacancy shall be posted on posting boards that are routinely viewed by hourly employees of Bechtel Jacobs and/or its first- and second-tier subcontractors and, whenever feasible, posted on the Union's or USEC's posting boards within USEC controlled areas. Under this

subpart, vacancies shall be awarded first to the active qualified bargaining unit employee(s) of Bechtel Jacobs and/or its subcontractors, and then to USEC bargaining unit employees with the most plant-wide seniority who have signed the posting. Posting notices shall reflect this order of priority in hiring.

- 4) When a vacancy cannot be filled by the procedure in 1, 2, or 3 above, employees laid off by Bechtel Jacobs, and/or its first- and second-tier subcontractors and/or USEC shall be provided a preference in hiring using plant wide seniority provided he/she has the skills and qualifications to assure competent job performance. Notification shall be made by mail. If necessary, the affected employee(s) will have the opportunity to demonstrate to the subcontractor that he/she has the skills and qualifications necessary to perform the work. In filling these positions, Bechtel Jacobs and/or the subcontractor shall provide job- and task-specific training to assure competent job performance; provided, this training requirement shall not include an obligation to provide fundamental skills training or craft-specific training, unless Bechtel Jacobs and/or subcontractor opts to provide such training at its discretion.
  - 5) Those qualified non-bargaining unit employees who are laid off from Bechtel Jacobs and/or its first- and second-tier subcontractors or who are laid off from USEC (through involuntary or voluntary separations), and who are covered under Section 3161 of the FY 93 Defense Authorization Act (as defined in the USEC Privatization Act of 1996).
  - 6) Those qualified bargaining unit employees laid off (through voluntary or involuntary separations) from Bechtel Jacobs or USEC at Paducah and who are covered under Section 3161 of the FY 93 Defense Authorization Act (as defined in the USEC Privatization Act).
  - 7) Those qualified employees laid off at other Department of Energy facilities and who are covered under Section 3161 of the FY 93 Defense Authorization Act.
  - 8) Those qualified bargaining unit employees receiving retirement benefits from USEC at Portsmouth, in order of seniority.
- B. Prior to filling vacancies, SUBCONTRACTOR shall consult with PACE concerning the availability of employees on the USEC and Bechtel Jacobs

recall lists, and those eligible under Section 3161 of the FY 93 Defense Authorization Act (as defined in the USEC Privatization Act).

- C. If no qualified employees can be obtained in a timely manner from the eight (8) aforementioned sources above, then Bechtel Jacobs and/or its subcontractors may hire qualified employees from any source.
- D. After vacancies have been awarded, a list of employees who were awarded such vacancies shall be posted on Bechtel Jacobs posting locations. Copies of these lists shall be sent to the Union.
- E. If the employee on layoff from Bechtel Jacobs and/or its subcontractors does not accept the offer of recall, he/she shall be removed from the recall list.
- F. As soon as the SUBCONTRACTOR has hired a representative complement of its non-supervisory employees to perform the work covered by this subcontract, in accordance with Paragraph A above, SUBCONTRACTOR agrees that, if it appears that a majority of that representative complement of employees were members of a PACE collective bargaining unit at the Portsmouth site, SUBCONTRACTOR will, consistent with the requirements of the National Labor Relations Act, recognize PACE as the collective bargaining representative of the non-supervisory employees performing the work covered by this subcontract. SUBCONTRACTOR will adopt all of the terms and conditions of the current labor agreement between Bechtel Jacobs Company and PACE in connection with the work to be performed on the Project pursuant to this subcontract. In those cases where SUBCONTRACTOR, is not a “successor” employer, as defined under the National Labor Relations Act, the SUBCONTRACTOR shall recognize PACE upon showing that a majority of the non-supervisory employees performing work in the appropriate unit have signed a PACE union authorization card, and from the date of initial hiring the SUBCONTRACTOR shall adopt all of the terms and conditions of the current labor agreement between Bechtel Jacobs and PACE until such time as the parties conclude a labor agreement on these terms or, consistent with the National Labor Relations Act, agree to modify non-economic terms of the agreement. (The SUBCONTRACTOR and PACE shall select and use a mutually agreeable neutral third party to review and count cards and/or resolve any disputes.)
- G. SUBCONTRACTOR recognizes CONTRACTOR as responsible for the interpretation of the Collective Bargaining Agreement. SUBCONTRACTOR agrees to provide work direction and supervision to employees covered by the Bechtel Jacobs-PACE Agreement, and operate in compliance with the terms and conditions of the Bechtel Jacobs-PACE Collective Bargaining Agreement.

- H. SUBCONTRACTOR agrees that any situation or occurrence related to hourly workers which may: affect the employer-employee relationship; be considered in violation of the Collective Bargaining Agreement; result in disciplinary action; establish a precedent; or, affect other Subcontractors, whether resolved or not at the SUBCONTRACTOR level, will be communicated to the designated Labor Relations personnel employed by Bechtel Jacobs Company LLC.
- I. SUBCONTRACTOR recognizes that the Bechtel-PACE Collective Bargaining Agreement includes provisions for a site-wide seniority list, and that limited displacement (bumping) of bargaining unit employees may occur between various employers at Portsmouth at time of layoff. When required, this displacement will occur as defined in the collective bargaining agreement. SUBCONTRACTOR agrees that, because such displacement is a requirement of the collective bargaining agreement, compliance with which is a term of this Subcontract, the occurrence of any such displacement shall not be the basis for claims under this Subcontract.
- J. SUBCONTRACTOR is expected to maintain positive labor management relations and shall actively participate in joint initiatives associated with the Bechtel Jacobs Company LLC contract with the Department of Energy.

**2. PACE NON-COVERED WORK (Service Contract Act) (workforce transition of PACE represented incumbent employees)**

- A. For any portion of the Scope of Work (Exhibit D) that is identified as “PACE-Non-Covered Work; PACE Workforce Transition,” the SUBCONTRACTOR agrees that, after it determines the number of non-supervisory employees necessary for the efficient performance of this subcontract, it shall offer a right of first refusal for employment to USEC hourly employees in the classifications performing the work being transitioned, starting with the most senior employee in the classification and proceeding down the list to the least senior employee in the classification. This right of first refusal will be provided without regard to whether the individual who elects to transition has performed the specific job task previously. In the event the subcontractor cannot fill the vacancies with USEC bargaining unit employees from the affected classification(s) for these positions, subcontractors shall offer employment to USEC bargaining unit employees as follows:

- 1) those qualified bargaining unit employees in order of classification seniority who have been notified of a layoff with Bechtel Jacobs and/or a first- or second-tier subcontractor at Portsmouth.
- 2) those qualified bargaining unit employees in order of classification seniority who are on the recall list or who are eligible under Section 3161 of the FY 93 Defense Authorization Act (as amended by the USEC Privatization Act of 1996) and who were laid off (through voluntary or involuntary separation) from
  - (a) Bechtel Jacobs and/or a first- and/or second-tier subcontractor, or
  - (b) USEC, or
  - (c) Lockheed Martin Utility Services at Portsmouth.
- 3) When a vacancy cannot be filled by the procedure in 1 or 2 above, the vacancy shall be posted on posting boards that are routinely viewed by hourly employees of Bechtel Jacobs and/or its first- and second-tier subcontractors and, whenever feasible, posted on the Union's or USEC's posting boards within USEC controlled areas. Under this subpart, vacancies shall be awarded first to the active qualified bargaining unit employee(s) of Bechtel Jacobs and/or its subcontractors, and then to USEC bargaining unit employees with the most plant-wide seniority who have signed the posting. Posting notices shall reflect this order of priority in hiring.
- 4) When a vacancy cannot be filled by the procedure in 1, 2 or 3 above, employees laid off by Bechtel Jacobs, and/or its first- and second-tier subcontractors and/or USEC shall be provided a preference in hiring using plant wide seniority provided he/she has the skills and qualifications to assure competent job performance. Notification shall be made by mail. If necessary, the affected employee(s) will have the opportunity to demonstrate to the subcontractor that he/she has the skills and qualifications necessary to perform the work. In filling these positions, Bechtel Jacobs and/or the subcontractor shall provide job- and task-specific training to assure competent job performance; provided, this training requirement shall not include an obligation to provide fundamental skills training or craft-specific training, unless Bechtel

Jacobs and/or subcontractor opts to provide such training at its discretion.

- 5) Those qualified non-bargaining unit employees who are laid off from Bechtel Jacobs and/or its first- and second-tier subcontractors or who are laid off from USEC (through involuntary or voluntary separations), and who are covered under Section 3161 of the FY 93 Defense Authorization Act (as defined in the USEC Privatization Act of 1996).
  - 6) Those qualified bargaining unit employees laid off (through voluntary or involuntary separations) from Bechtel Jacobs or USEC at Paducah and who are covered under Section 3161 of the FY 93 Defense Authorization Act (as defined in the USEC Privatization Act).
  - 7) Those qualified employees laid off at other Department of Energy facilities and who are covered under Section 3161 of the FY 93 Defense Authorization Act.
  - 8) Those qualified bargaining unit employees receiving retirement benefits from USEC at Portsmouth, in order of seniority.
- B. Bechtel Jacobs will maintain a site-wide recall list by classification seniority of PACE represented employees laid off from Bechtel Jacobs and/or its first- and second-tier subcontractors, and USEC (when supplied). To the extent that USEC supplies PACE with updated list(s) of USEC employees notified of layoff or on the USEC recall lists, the Union shall assist by providing Bechtel Jacobs with a copy of such list(s).
- C. Prior to filling vacancies, Bechtel Jacobs and/or its first- and second-tier subcontractor shall consult with PACE concerning the availability of employees on the USEC and Bechtel Jacobs recall lists, and those eligible under Section 3161 of the FY 93 Defense Authorization Act (as defined in the USEC Privatization Act).
- D. If no qualified employees can be obtained in a timely manner from the eight (8) aforementioned sources above, then Bechtel Jacobs and/or its subcontractors may hire qualified employees from any source.

- E. After vacancies have been awarded, a list of employees who were awarded such vacancies shall be posted at appropriate posting locations. Copies of these lists shall be sent to the Union.
- F. If the employee on layoff from Bechtel Jacobs and/or its subcontractors does not accept the offer of recall, he/she shall be removed from the recall list.
- G. As soon as the SUBCONTRACTOR has hired a representative complement of its non-supervisory employees to perform the work covered by this subcontract, in accordance with Paragraph A above, SUBCONTRACTOR agrees that, if it appears that a majority of that representative complement of employees were members of a PACE collective bargaining unit at Portsmouth, SUBCONTRACTOR will, consistent with the requirements of the National Labor Relations Act, recognize PACE as the collective bargaining representative of the non-supervisory employees performing the work covered by this subcontract. SUBCONTRACTOR will, from the date of initial hiring, adopt all of the terms and conditions of the current labor agreement between Bechtel Jacobs Company and PACE in connection with the work to be performed on the Project pursuant to this subcontract. Thereafter, SUBCONTRACTOR will not change any of the terms and conditions of employment without bargaining in good faith with PACE, pursuant to the National Labor Relations Act.
- H. SUBCONTRACTOR agrees, in performance of this subcontract, to comply fully with the dictates of Presidential Executive Order 12933, Section 4(c) of the Service Contract Act, and the National Labor Relations Act. SUBCONTRACTOR also agrees that, to the fullest extent permitted by law, it will adhere to all of the terms and conditions of the current labor agreement between Bechtel Jacobs Company and PACE in connection with its performance of the work covered by this subcontract.
- I. SUBCONTRACTOR recognizes CONTRACTOR as responsible for the interpretation of the Collective Bargaining Agreement. SUBCONTRACTOR agrees to provide work direction and supervision to employees covered by this agreement, and operate in compliance with the terms and conditions of the referenced Collective Bargaining Agreement. SUBCONTRACTOR is expected to maintain positive labor management relations and shall actively participate in joint initiatives associated with Bechtel Jacobs Company LLC contract with the Department of Energy.

- J SUBCONTRACTOR agrees that any situation or occurrence related to hourly workers, which may: affect the employer-employee relationship; be considered in violation of the Collective Bargaining Agreement; result in disciplinary action; establish a precedent; or, affect other Subcontractors, whether resolved or not at the SUBCONTRACTOR level, will be communicated to the designated Labor Relations personnel employed by Bechtel Jacobs Company LLC.
- K. SUBCONTRACTOR recognizes that the current labor agreement may include provisions for a site-wide seniority list, and that limited displacement (bumping) of bargaining unit employees may occur between employers at time of layoff. When required, this displacement will occur as defined in the collective bargaining agreement. SUBCONTRACTOR agrees that, because such displacement is a requirement of the collective bargaining agreement, compliance with which is a term of this Subcontract, the occurrence of any such displacement shall not be the basis for claims under this Subcontract.

**3. PACE NON-COVERED WORK (Service Contract Act) (no workforce transition)**

- A. For any portion of the Scope of Work (Exhibit D) that is identified as "PACE Non-Covered Work; no PACE workforce transition," the SUBCONTRACTOR agrees that, after it determines the number of non-supervisory employees necessary for the efficient performance of this subcontract, SUBCONTRACTOR agrees to obtain its workers in accordance with Section 15 of the collective bargaining agreement between Bechtel Jacobs Company LLC and PACE, which requires hiring in the following order:
  - 1) those qualified bargaining unit employees in order of classification seniority who have been notified of a layoff with Bechtel Jacobs and/or a first- or second-tier subcontractor at Portsmouth.
  - 2) those qualified bargaining unit employees in order of classification seniority who are on the recall list or who are eligible under Section 3161 of the FY 93 Defense Authorization Act (as amended by the USEC Privatization Act of 1996) and who were laid off (through voluntary or involuntary separation) from

- (a) Bechtel Jacobs and/or a first- or second-tier subcontractor, or
  - (b) USEC, or
  - (c) Lockheed Martin Utility Services at Portsmouth.
- 3) When a vacancy cannot be filled by the procedure in 1 or 2 above, the vacancy shall be posted on posting boards that are routinely viewed by hourly employees of Bechtel Jacobs and/or its first- and second-tier subcontractors and, whenever feasible, posted on the Union's or USEC's posting boards within USEC controlled areas. Under this subpart, vacancies shall be awarded first to the active qualified bargaining unit employee(s) of Bechtel Jacobs and/or its subcontractors, and then to USEC bargaining unit employees with the most plant-wide seniority who have signed the posting. Posting notices shall reflect this order of priority in hiring.
- 4) When a vacancy cannot be filled by the procedure in 1, 2 or 3 above, employees laid off by Bechtel Jacobs, and/or its first- and second-tier subcontractors and/or USEC shall be provided a preference in hiring using plant wide seniority provided he/she has the skills and qualifications to assure competent job performance. Notification shall be made by mail. If necessary, the affected employee(s) will have the opportunity to demonstrate to the subcontractor that he/she has the skills and qualifications necessary to perform the work. In filling these positions, Bechtel Jacobs and/or the subcontractor shall provide job- and task-specific training to assure competent job performance; provided, this training requirement shall not include an obligation to provide fundamental skills training or craft-specific training, unless Bechtel Jacobs and/or subcontractor opts to provide such training at its discretion.
- 5) Those qualified non-bargaining unit employees who are laid off from Bechtel Jacobs and/or its first- and second-tier subcontractors or who are laid off from USEC (through involuntary or voluntary separations), and who are covered under Section 3161 of the FY 93 Defense Authorization Act (as defined in the USEC Privatization Act of 1996).
- 6) Those qualified bargaining unit employees laid off (through voluntary or involuntary separations) from Bechtel Jacobs or USEC at Paducah and

who are covered under Section 3161 of the FY 93 Defense Authorization Act (as defined in the USEC Privatization Act).

- 7) Those qualified employees laid off at other Department of Energy facilities and who are covered under Section 3161 of the FY 93 Defense Authorization Act.
  - 8) Those qualified bargaining unit employees receiving retirement benefits from USEC at Portsmouth, in order of seniority.
- B. Bechtel Jacobs will maintain a site-wide recall list by classification seniority of PACE represented employees laid off from Bechtel Jacobs and/or its first- and second-tier subcontractors, and USEC (when supplied). To the extent that USEC supplies PACE with updated list(s) of USEC employees notified of layoff or on the USEC recall lists, the Union shall assist by providing Bechtel Jacobs with a copy of such list(s).
- C. Prior to filling vacancies, Bechtel Jacobs and/or its first- and second-tier subcontractor shall consult with PACE concerning the availability of employees on the USEC and Bechtel Jacobs recall lists, and those eligible under Section 3161 of the FY 93 Defense Authorization Act (as defined in the USEC Privatization Act).
- D. If no qualified employees can be obtained in a timely manner from the eight (8) aforementioned sources above, then Bechtel Jacobs and/or its subcontractors may hire qualified employees from any source.
- E. After vacancies have been awarded, a list of employees who were awarded such vacancies shall be posted at appropriate posting locations. Copies of these lists shall be sent to the Union.
- F. If the employee on layoff from Bechtel Jacobs and/or its subcontractors does not accept the offer of recall, he/she shall be removed from the recall list.
- G. As soon as the SUBCONTRACTOR has hired a representative complement of its non-supervisory employees to perform the work covered by this subcontract, in accordance with Paragraph A above, SUBCONTRACTOR agrees that, if it appears that a majority of that representative complement of employees were members of a PACE collective bargaining unit at Portsmouth, SUBCONTRACTOR will,

consistent with the requirements of the National Labor Relations Act, recognize PACE as the collective bargaining representative of the non-supervisory employees performing the work covered by this subcontract. SUBCONTRACTOR will, from the date of initial hiring, adopt all of the terms and conditions of the current labor agreement between Bechtel Jacobs and PACE in connection with the work to be performed on the Project pursuant to this subcontract. In those cases where SUBCONTRACTOR is not a "successor" employer as defined under the National Labor Relations Act, the SUBCONTRACTOR shall recognize PACE upon showing that a majority of the non-supervisory employees performing work in the appropriate unit have signed a PACE union authorization card, and from the date of initial hiring the SUBCONTRACTOR shall adopt all of the terms and conditions of the current labor agreement between Bechtel Jacobs and PACE until such time as the parties conclude a labor agreement on these terms or, consistent with the National Labor Relations Act, mutually agree to modify non-economic terms of the agreement. (The SUBCONTRACTOR and PACE shall select and use a mutually agreeable neutral third party to review and count cards and/or resolve any disputes.)

- H. SUBCONTRACTOR agrees, in performance of this subcontract, to comply fully with the dictates of Presidential Executive Order 12933, Section 4(c) of the Service Contract Act, and the National Labor Relations Act. SUBCONTRACTOR also agrees that, to the fullest extent permitted by law, it will adhere to all of the terms and conditions of the current labor agreement between Bechtel Jacobs Company and PACE in connection with its performance of the work covered by this subcontract.
- I. SUBCONTRACTOR recognizes CONTRACTOR as responsible for the interpretation of the Collective Bargaining Agreement. SUBCONTRACTOR agrees to provide work direction and supervision to employees covered by this agreement, and operate in compliance with the terms and conditions of the referenced Collective Bargaining Agreement. SUBCONTRACTOR is expected to maintain positive labor management relations and shall actively participate in joint initiatives associated with Bechtel Jacobs Company LLC contract with the Department of Energy.
- J. SUBCONTRACTOR agrees that any situation or occurrence related to hourly workers, which may: affect the employer-employee relationship; be considered in violation of the Collective Bargaining Agreement; result in disciplinary action; establish a precedent; or, affect other Subcontractors,

whether resolved or not at the SUBCONTRACTOR level, will be communicated to the designated Labor Relations personnel employed by Bechtel Jacobs Company LLC.

- K. SUBCONTRACTOR recognizes that the current labor agreement may include provisions for a site-wide seniority list, and that limited displacement (bumping) of bargaining unit employees may occur between employers at time of layoff. When required, this displacement will occur as defined in the collective bargaining agreement. SUBCONTRACTOR agrees that, because such displacement is a requirement of the collective bargaining agreement, compliance with which is a term of this Subcontract, the occurrence of any such displacement shall not be the basis for claims under this Subcontract.

**ATTACHMENT "G"**  
**of**  
**Addendum**  
**Between**  
**Bechtel Jacobs Company LLC (hereinafter "Bechtel Jacobs" or the "Company")**  
**and**  
**Paper, Allied-Industrial, Chemical and Energy Workers International Union**  
**and its Local No. 5-689 (hereinafter PACE or the "Union")**

**Memorandum of Agreement Regarding the Administrative Clarification of Roles and Responsibilities Regarding the Bechtel Jacobs Company-PACE Addendum When Bechtel Jacobs Uses Subcontractors for PACE-Covered Work**

**Purpose:** This Memorandum of Agreement ("MOA") is designed to clarify roles and responsibilities regarding Bechtel Jacobs and its first- and second-tier subcontractors at Portsmouth, Ohio, in the implementation of the PACE-Bechtel Jacobs Addendum. The need for this clarification is to assure that there will be no gaps in determining whether Bechtel or its subcontractors will be responsible for implementing the Addendum on a daily basis.

**Application:** This MOA shall be incorporated in the Bechtel Jacobs-PACE Addendum of July 14, 2000, and shall apply to Bechtel Jacobs, its first- and second-tier subcontractors, or successors thereto, in the administration of the Bechtel Jacobs-PACE Addendum (which incorporates the "USEC Contract").

**Signatories:** This MOA shall be executed by Bechtel Jacobs, its first and second-tier subcontractor(s), PACE Local 5-689 and PACE International Union.

**Clarification of Roles and Responsibilities:** While many of the provisions of this Addendum are applicable to both Bechtel Jacobs Company and its first- and second-tier subcontractors (and/or successors), some provisions are applicable only to Bechtel Jacobs Company and some are applicable only to first- and second-tier subcontractors. Whenever the obligation of a particular party to carry out any given provision is not self-evident in the Addendum or a dispute arises over who is the proper party to carry out a provision in the Addendum, Bechtel Jacobs Company shall:

- 1) assume responsibility for compliance with the term(s) of the Addendum, or

- 2) if Bechtel Jacobs determines that the subcontractor is the proper party, to immediately direct the first- or second-tier subcontractor to fully adhere to the terms of the Addendum, or
- 3) assume responsibility for resolving the question of who is the proper party to carry out the provision of the Addendum in the dispute and issue a determination within 15 days upon the request of any party.

Any questions by a first- or second-tier subcontractor concerning the applicability, meaning and intent of any provision of this Addendum must be directed jointly to PACE Local 5-689 and Bechtel Jacobs Company representatives.

Agreed, this 17th day of August 2000.

Bechtel Jacobs Company LLC

Paper, Allied-Industrial, Chemical &  
Energy Workers International Union

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Paper, Allied-Industrial, Chemical &  
Energy Workers Union, Local 5-  
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**Attachment “H”  
of the  
Addendum  
Between  
Bechtel Jacobs Company LLC (hereinafter "Bechtel Jacobs" or the  
"Company")  
and  
Paper, Allied-Industrial, Chemical and Energy Workers International Union,  
and its Local No. 5-689 (hereinafter PACE or the "Union")**

- (1) PENSION ASSET TRANSFER AGREEMENT BETWEEN BECHTEL JACOBS AND USEC,**
- (2) PENSION ASSET TRANSFER AGREEMENT BETWEEN USEC AND BECHTEL JACOBS,**
- (3) ASSET TRANSFER AGREEMENT (SAVINGS)**

**Attachment "I"**  
**of the**  
**Addendum**  
**Between**  
**Bechtel Jacobs Company LLC (hereinafter "Bechtel Jacobs" or the**  
**"Company")**  
**and**  
**Paper, Allied-Industrial, Chemical and Energy Workers International**  
**Union,**  
**and its Local No. 5-689 (hereinafter PACE or the "Union")**

Commitment letters incorporated within this Addendum:

- (1) July 14, 2000, Subject: Agreement for Benefits Representative Providing Services to Bechtel Jacobs
- (2) July 13, 2000, Subject: Vacation Pay
- (3) August 17, 2000, Subject: Resolution of Disputes on Reasonable and Customary Charges for Medical Services
- (4) September 25, 2000, Subject: Pension Modification