

## SOLIDARITY @ CLIFFS NATURAL RESOURCES

# The ABC's of Bargaining

Information on how an agreement gets reached and how your involvement can help win a fair contract

### **Q: What is collective bargaining?**

A: Collective bargaining is the legal process for reaching an agreement between a labor union and an employer over the terms and conditions of employment, such as wages, hours of work, paid time off, benefits, employment security and protections against unfair treatment or discharge. Collective bargaining usually results in a written agreement or contract which outlines the terms and conditions of employment, continues for a specified term and is subject to renegotiation.

The union and company have many mutual interests: both want the company to prosper and grow. But the union and company have potential differing views over such issues as economic improvements, and job and income security and efficiency and cost reductions. Collective bargaining is the process for balancing and resolving these potential differences.

### **Q: When does our contract expire?**

A: The contracts between our union and Cliffs Natural Resources at locations covered by these negotiations expire at 12:01 am on October 1, 2015.

### **Q: What units and employees are covered by these negotiations?**

A: The negotiations with U.S. Steel cover more than 2,600 Steelworkers from four local unions in Minnesota and Michigan.

- USW Local 2705—Hibbing Taconite
- USW Local 4950—Empire Mining
- USW Local 4974—Tilden Mining
- USW Local 6860—United Taconite P&M
- USW Local 6860-3—Office and Technical

### **Q: How do we get a good contract with Cliffs Natural Resources?**

Like most employers, Cliffs improves wages, benefits or working conditions only when it is forced to do so. The company is not going to “give” us anything. It never has and it never will. In order to reach a fair and reasonable contract, we must be prepared to build and use our bargaining power.

### **Q: What is bargaining power and how do we build it?**

A: Bargaining power is the ability of the union to achieve its bargaining goals in the face of opposition from the employer. It comes from our solidarity – our determination and willingness to stick together to obtain our goals. Building and displaying our unity improves our ability to have our issues addressed in the negotiating process, and it is a decisive factor in shaping the final agreement.

Building the local union and acting together lead to greater bargaining power. By using a Communication & Action Team (CAT Team), each local union can keep members informed and organized, and that will put the union in a stronger position. Sharing information and taking part in actions can send a message that we are not satisfied with the company's proposals and will fight for a fair contract. Cliffs management will see that Steelworkers across the country are united, that everyone knows what's happening at the bargaining table, and that the entire membership is supporting the bargaining committee.

### **Q: What kinds of proposals are discussed in negotiations?**

A: They range from pay raises to safety conditions. Generally, contract proposals fall into one of two categories:

- (1) Economic proposals, such as wages, paid

time off, health care, pensions or S&A benefits, or  
(2) Non-economic items, such as safety standards, seniority, and the grievance procedure.

Some proposals are easy for both sides to agree on and others are tougher and take longer for both sides to find common ground. Neither the company nor the union will get 100% of what it puts on the table. But the more the company's negotiators believe we have the bargaining strength to stick to our bottom line, the more likely we are to reach a fair contract.

**Q: When do negotiations begin and how do they work?**

A: Our contract negotiations with Cliffs play out on two levels—first, local leaders from each site get together with local management to discuss site-specific 'local' issues. Those local issue negotiations are scheduled to start the week of July 27<sup>th</sup>. Then, later in September, local representatives from all sites will come together in Pittsburgh to discuss items that impact all sites like wages, retirement, healthcare, and other items.

Proposals are drafted and discussed by both sides. Information is requested and exchanged. Some complicated issues are referred to subcommittees for greater discussion, such as benefits, contract language, and safety and health issues. Both sides caucus (meet separately), make counter proposals, test out ideas, look for ways to bridge differences and find common ground. The goal is to reach an agreement that can be submitted to union members for their approval.

**Q: How can I find out what's happening at the bargaining table?**

A: We will be distributing written bargaining updates from Pittsburgh through each local union's Communication & Action Team. You can sign up to receive text message updates on your cell phone. If you want all of the latest information from the bargaining table. To sign

up for updates, send the text message "CLIFFS" to 47486 (message and data rates may apply, you can opt out at any time by texting "stop" to 47486).

**Q: Do members get to vote on a tentative agreement?**

A: Employees of Cliffs Natural Resources who are in the covered units and union members in good standing may vote to ratify or reject a tentative agreement. A detailed summary of any tentative agreement is distributed and members have an opportunity to meet with their bargaining committee members before voting. The USW bargaining committee may make a recommendation regarding a proposed agreement.

**Q: What happens if we don't finish negotiations before the contract expiration date?**

A: If the company and the union have not reached an agreement by the contract expiration date the union and the company each have three options.

*The union can:*

1. Agree to extend the old contract (if the company also agrees), or
2. Strike, or
3. Continue to work without a contract.

*Similarly, the company can:*

1. Agree to extend the old contract (if the union also agrees), or
2. Lock out the union members, or
3. Continue to run without a contract.

Without an agreed-upon extension, the terms and conditions remain the same even after contract expiration. This is true as long as we don't reach a lawful impasse, which occurs when neither side is willing to budge from its bargaining position.

Local union leaders will keep members up to date during this process as we all work together to win a fair contract.

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