



TRANSITION COMMITTEE UPDATE BULLETIN

The Transition Committee has been meeting with the Company regularly since May 2, 2013 after a period of no meetings before that. Since returning to meeting, the Company provided us with a fair bit of information which we had been requesting for many, many months. The reason this information is so important is because we've had no way to properly determine what the KMP will consist of and how it will affect our members without knowing what the plans were. Many aspects of the Joint Transition Committee's mandate remain unresolved due to the fact that we needed this information to apply our mandate.

We've seen a lot of Transition activity in recent weeks starting with the Company's Job Fair, crew meetings, forcing people to make decisions on staying in their positions or opting out, letters going out to workers with permanent restrictions and more. It's important for you to understand that this is activity which the Company planned and carried out with **little to no** involvement of our Union Transition members. Most of these activities were planned during the time frame of February 2013 to May 2013 when the Union wasn't meeting with the Company on any joint basis. Coincidentally the information we'd been requesting all became available as soon as we stopped meeting. From there, a lot of activity was planned in a short period of time and coincidentally we weren't meeting or part of the planning.

Since our return there has been a fair bit of discussion on the Company's plans and our efforts have been directed at getting a clear understanding of the CLA language along with trying to change/modify the language to make it easier to understand and where ever possible to minimize the impact on our members.

At this point in the exercise we are in a difficult position communicating with you as many issues remain unresolved and worse yet many more have resulted in a difference of opinions which doesn't help us as we move forward. We would like to be in a position where there is agreement on the job claiming process and be able to

present this to you in an open and transparent manner however this isn't the case. We've been trying to work through the language with the Company and have reached some common agreement on some issues but we're far from what I would call an agreement on the overall process.

This bulletin is meant to help you understand where we're at in the process, share things that might help give you some understanding as you're forced to make decisions you might not be ready to make and finally to give you an understanding of the disputed issues and how the Union and yourselves might challenge them.

Our understanding of the Job Claiming Process as it currently stands:

This process is currently a 4 step process which will result in all KMP positions being filled and those workers who weren't able to or chose not to accept a position in KMP being placed into a Surplus Pool.

Step #1

All employees in A, B, C and T seniority will be confirmed into Continuing or Corresponding positions that will exist in KMP. If there are more employees today in a job than there will be in KMP then this creates a situation where seniority can be used to accept to keep a position or choose not to. The employees confirmed into these jobs are done and won't have the opportunity to apply for any other positions during the transition. At the end of this step all the continuing and corresponding positions will be filled.

Step #2

All the employees in "A" seniority who weren't confirmed into a continuing or corresponding position will have an opportunity to apply for any unclaimed positions that are left in "A" seniority. Based on our review these will be Process Control Operators (Equipment Operators) and Potline Operator (Craneman) positions. If you claimed a job in Step #2 you can still apply for jobs in Step #4 until such time as your training has begun in which case you're locked in for one year after the completion of your training. If you couldn't or didn't claim a job in this step you are surplus and will have to wait until Step# 4 to apply for openings again.

Step #3

Employees with permanent medical restrictions will have the first opportunity to claim up to 25% of the remaining jobs that haven't been filled. This is done on a classification by classification basis so there have to be at least four openings in a classification in order to give one to a medically restricted employee. Employees placed into positions in Step #3 are done and won't have the opportunity to apply

for any other positions during the transition. If you are an employee with permanent medical restrictions and you weren't placed into a job in Step #3 you are placed into the Surplus Pool.

Step #4

All employees who weren't permanently placed into a position in Steps 1 thru 3 will now have the opportunity to apply for all the remaining jobs that haven't been filled using their seniority. If you are live filed in a department and want to apply for a different job in the same department this is called a "re-assignment" and you will be using your department seniority. If you want to apply for a job in a different department than the one you're currently live filed in this is called a "transfer" and you will be using your company seniority. The process gives priority to re-assignments first then to transfers. Keep in mind that employees with 15 years or more of Company seniority can apply their Company seniority to re-assignments in which case the applicants would all use their Company seniority in the claiming of the job. Employees who claimed a job in Step #4 are done and those who couldn't or didn't claim a job are placed into the Surplus Pool.

Surplus Pool:

All employees who couldn't or didn't claim a job in Steps #1 thru #4 will be placed into a Surplus Pool and assigned alternate work until such time as all surplus employees have claimed permanent positions in KMP. Displaced tradesmen who are more senior than tradesmen in the same trade with less seniority will be able to bump the junior tradesman and claim his/her position. The Company has informed us that they don't know what this work will consist of at this time and as far as we've been told there is no plan for how these employees will be administered. We've asked all the right questions like how they will be directed i.e. foremen, lunch/shower facilities, nature of the work, how work assignments will be made, working with contractors etc. One other possibility that has been discussed is regarding how surplus tradesmen will be used within the Surplus Pool and whether they could remain in their shops as long as there is ongoing work there. The Company has said it would make sense to keep tradesmen working in their trade as long as there is work there but with no guarantees.

Note: Actual language on changes to the CLA hasn't been signed at the time this bulletin was written.

Specific questions we've been asked and are dealing with:

1. Do the people who are confirmed into the continuing and corresponding jobs have to stay in those jobs?

Answer: Yes they do. The Union's thinking on this back in 2007 was that being able to stay in your job wasn't a bad thing and the Company wanted to restrict manpower movement as much as possible keeping trained workers in their job and reducing the amount of training needed.

2. If I have the option to choose not to stay in my continuing/corresponding job and I decide not to what happens to me?

Answer: You would be displaced from your job and be able to apply for openings in Steps #2, #3 or #4 depending what applies to you.

3. If I have the option to choose to not stay in my continuing/corresponding job and decide not to will that affect my rate, gangleader and pension level in any way?

Answer: The Union position is that the negotiated process gives you the option to choose not to remain in your position if you aren't confirmed in a continuing or corresponding position. As you are simply following the process that was negotiated and there is no penalty mentioned, we say that there will be no loss of rate, gangleader and/or pension level if you make this choice. The Company position is that you won't have your rate, gangleader and/or pension level protected if you choose to leave your position.

Our advice to you is that if you want to leave your position but don't want to risk losing your rate, gangleader and/or pension level you will have to indicate that you are willing to be confirmed in your position and note your protest on the same form then file a grievance to protect your rights. The grievance will be argued and at some point a decision will be made on the disputed language.

4. How will the Surplus Pool ever be eliminated?

Answer: We believe we have agreement with the Company that once all the KMP positions are filled the Surplus Pool employees will get first opportunity to claim all future postings according to Article 9 and 22-LU- 1.

5. If I was displaced from my job and end up in the Surplus Pool will my rate, gangleader and/or pension level be protected?

Answer: Yes you will have your rate, gangleader (if any) and pension level maintained if you were displaced from your job. In addition, if you were displaced from your job and you end up applying for and getting a new job you will still get your rate (or the new one if higher), your gangleader (if you were a live filed gangleader and have 20 years company seniority) and your pension level (if you have 20 years company seniority).

6. We see the Company wants to change our shift schedule. We don't want to change our schedule so what can we do?

Answer: Based on our review of the Company's plans, there are definitely shifts that the Company is planning to change. To date we've raised specific complaints from the APP, Coke Cal, Potroom Control and the Carpenters. The Company argued process issues to justify the Potroom Control change, indirect process issues for the Carpenter change and with APP and Coke Cal they argued the need to have one shift across production for consistency and familiarity amongst the people you will deal with. The future smelter Manager, Kerry Moran has indicated that he has no problem with either Shift #34 or #61 but he wants one shift across production. At the same meeting, Mr. Moran introduced another shift rotation that he's familiar with and indicated it would also be one that he would have no problems instituting. We have indicated that we would possibly support a trial of his new shift in a defined area in Production to see how it works and how people like it.

Any other crews which don't like what is planned for their crew's shift should petition the crew and bring the information to one of the Transition committee members pursue. The other alternative is to wait until the Company applies the provisions of Article 17.06 at which time the Union and the crews have an opportunity to provide input.

7. How will the Temporary employees who were hired to full-time after 2012 negotiations fit into the Transition process.

Answer: After negotiations there were around 50 temporary employees hired to full-time. Since that time some of them have accepted permanent positions and are now live filed into them. Those employees who still haven't been permanently placed don't have a live file job and even a permanent department from which to start the process from. We believe we have agreement with the Company that these employees will be assigned to the department in which they have worked the majority of

their time in so that they have a starting position for the Job Claiming Process.

8. I'm concerned about the unknowns associated with being in the Surplus. I've only got a short time left before I retire and it doesn't make sense for me to claim a job, get trained only to retire a short time later.

Answer: The Union has been attempting to get the Company to agree to language which will continue to give us the ability to represent our members in the Surplus Pool. Many of the issues with the Surplus Pool won't be directly covered by our CLA as many of these issues will be new and/or unique. We have provided language, suggested a standing committee and still haven't been able to come to an agreement with the Company. This is identified as a very important issue for us and we will continue to push the Company for an agreement.

9. Do employees who are displaced from their job have first option to go back into their job if a position comes open?

Answer: The answer is no, this isn't a situation where people have recall rights. Until such time as all the Surplus Pool is absorbed back into the regular work force, the openings that occur will be offered first to the Surplus Pool with the idea that those employees don't have permanent positions so they need to be placed first before any other movement in KMP occurs.

10. How long do you think there will be a Surplus Pool?

Answer: The Company has predicted there will be a Surplus Pool for as much as two years. This time-line is hypothetical as the number would be as high as 200 employees if the transition happened today but we know there are approximately 150 employees who are in a position to retire during this process so the actual number in the Surplus Pool is an unknown.

11. Do you think there will be a package offered to employees who are close to retiring?

Answer: First of all there has been no discussion between the Union and the Company regarding a retirement package. We know that these kind of incentives usually happen when there are more employees than what the Company needs and there is an incentive for them to reduce their workforce. In our case, although they have a planned number of 699 hourly employees at "steady state", this won't be achieved until 2017.

During that time there will be a need for more employees to decommission the old technology and to support the new. For this reason we don't foresee the Company initiating any sort of an early retirement package any time soon.

12. We heard there will be a cafeteria. Is this going to be where everyone goes for lunch? Seems like it'll be far away, have they thought about how long it will take to get there and back?

Answer: This has come up in discussions while we toured the KMP site and got a perspective on how long the buildings are and so on. In the end management will have to make provision for time and transportation if required.

13. I'm really concerned about some of the information I saw at the Job Fair. The way they said it I'll be working the whole shift and barely have any time off.

Answer: At this time we have concerns about the plans we've seen for the new jobs. The new jobs don't have defined work/rest cycles built in based on what was provided at the Job Fair. For the Potroom areas there is a long history of how breaks are determined. The Company has stated that the conditions have improved however time will tell. Our history of working in a hot dirty environment has resulted in rest patterns that reflect that reality. The Union position is that we will still be working in a hot dirty environment requiring special PPE and other special provisions recognizing this. Some of the rest requirements will be based on what we've had traditionally and in some of the newer positions the rest requirements will have to be determined. This is an important issue to the Union and we will be driving this agenda between now and the first hot metal pour.

14. Where am I on the seniority list?

Answer: If you aren't able to find out where you are on the seniority list, you can call the Union Hall and ask to speak with a member of the Transition Committee. We will tell you where you are but not where anyone else you might be interested in is.

15. When do I go to my new job?

Answer: There is a training schedule that has been developed by the Company. Depending on where you're going and when your position is required that will determine when you start. We have a general idea on what their plans are but the only thing we know for certain is that the plan for first hot metal is November 4, 2014 and the operation and its support will need to be in place by then.

It's important for you to understand that this Transition is moving quickly, more quickly than we are comfortable with as a Union. We wish we had the time to negotiate a fair, clear and understandable process along with a proper plan to communicate with our members. The Company has taken an aggressive approach late in the game which doesn't allow for our members to know and understand before making such important decisions. As a Union we are doing our best to improve things but as you've been informed previously the Company is proceeding in spite of our complaints and we've been put in the position of watching much of this happen from the sidelines.

As we move forward it's going to be important for you to take the time to let your foreman and the Company representatives know how you feel about this process.

Your Transition committee has been receiving your calls and e-mails and we appreciate the feedback. For those of you who want to contact us we can be reached as follows:

Cliff Madsen **632-4611** (Union Hall) **639-8723** (3-5 Potroom Control)

Mike Szmata **639-8553** (Wharf)

Jose DaSilva **778-876-9198** (Mike Phone Power Ops)

Jody Landry **639-8581** (Pipe Shop) **778-876-9068** (Mike Phone)