



District 12

Robert LaVenture
District Director

Chris Youngmark
Assistant to the Director

June 15, 2015

Dear Brothers and Sisters at Asarco,

As you have heard, the Unions gave 15 day notice of contract termination to Asarco on June 5, 2015, and later that day, Asarco gave us their own 15 day notice of contract termination. In this letter, we provide information for those who are near retirement and want to know what it means for them. Let me begin by making three points about where we are now in the bargaining process.

First, we have been bargaining hard to try to reach a fair agreement. Yet in its so-called Last, Best and Final Offer presented to us on May 15, Asarco still refuses to offer any pay increase at all to its hard-working represented employees. Zilch. Zero. Nada. As you know, the last pay raise was in 2009, and Asarco wants a three year agreement going from ratification. That means Asarco thinks you don't deserve a pay increase for eight years, despite its enormous profits.

Second, our notice of contract termination is meant to send a message: our members are not going to tolerate this contempt Asarco has shown for its own employees. We will have membership meetings at dates and times announced earlier to plan for next steps in this long and hard battle. Please do not believe any rumors. Third, we are scheduled to bargain again June 29-July 2. We are going to keep fighting for a fair contract, both at the bargaining table and in other ways, too.

Now, Asarco cannot lawfully implement any changes to our current collective bargaining agreement, even when it terminates at one second after midnight on June 21, 2015. That includes the changes proposed for retiree benefits. Any changes on June 21 would be unlawful because the parties are not at lawful "impasse" and, as noted, we are scheduled to bargain again starting June 29.

We do not know, of course, whether or when this Company will decide to violate the law by implementing changes after contract expiration beginning on June 21, 2015. This Company has shown disregard for its legal obligations in the past, as we have seen. Therefore, we want to explain to you what changes might be made if Asarco does decide to violate the law and implement some or all of its contract proposals at any time after expiration of the agreement beginning June 21, 2015, but prior to the parties reaching a lawful impasse. Of course, if Asarco violates the law in this manner, then we will take legal measures on your behalf. As you know, however, litigation in any forum takes time and there can be no certainty in outcome. That's why you deserve to know what Asarco's so-called "Last, Best and Final Offer" contains that might affect any upcoming retirement or other decisions you might be considering. Further, if Asarco and the Unions were to reach a lawful impasse in bargaining at some later date, then Asarco would be allowed at that time to implement some or all of its so-called "Last, Best and Final Offer" though this is a legally complex area in terms of exactly what can be lawfully implemented.

PROPOSED RETIREMENT CHANGES:

- A. Asarco has proposed in its so called "Last, Best and Final Offer" that employees hired prior to July 1, 2011 would continue to be eligible for the current retiree health program, except that coverage would end at age 65 or any age Congress sets in the future for Medicare eligibility.
- B. Asarco has proposed in this offer that employees hired prior to July 1, 2011 will continue to be entitled to retiree health benefits as long as they retire (under the Defined Benefit Pension Plan) or become eligible to retire (under that same Pension Plan) by the expiration date of the new agreement, which Asarco has proposed to end three years after it becomes effective.
- C. Asarco has prepared a list of employees it thinks qualify under B, above, and has stated that its offer grants retiree health eligibility only to those who are on that list, unless a person not on the list provides proof satisfactory to the Company that he or she meets the eligibility requirements set out in B, above. You can find a copy of the Company's list of eligible persons on this link on the internet: <http://bit.ly/1fdpR3p> . If you believe your name should be on the list found at that link, but was left off, please contact your local union officers immediately.
- D. Asarco's so-called "Last, Best and Final Offer" completely excludes all employees hired on or after July 1, 2011 from retiree health insurance and from the defined benefit pension plan, and as noted in C, anyone whose name isn't on Asarco's list.
- E. Except as noted above, there are no other proposed changes for retiree health insurance or the defined benefit pension plan for those hired before July 1, 2011.
- F. NOTE: None of the proposed changes described above apply in any way to anyone already retired and already drawing a pension or retiree health insurance; those brothers and sisters are represented for health care by a lawyer involved in existing class action litigation and their pension benefits are governed by applicable law.

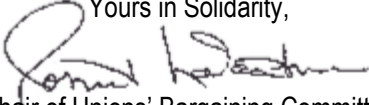
OTHER PROPOSED CHANGES:

There are many other changes in Asarco's so-called, "Last, Best and Final Offer" – many of them tentatively agreed to by the Unions, and many that Asarco is attempting to force on you. Among the tentatively agreed changes for active employees is a change from 90% payment of insurance claims to 80% payment.

In this letter, for the sake of brevity, we will not go into the many other changes proposed for a new agreement. On some very important proposed changes, we are still fighting very hard for a fair contract. We wanted to give you a brief description of some important proposed changes that we felt you needed to know about right now. Decisions about retirement and medical care are personal and involve considerations unique to your family. We believe, strongly, that we are certainly not at lawful impasse in bargaining with this company, and that any changes right now would violate the law. As noted, however, this Company has shown disregard for its legal obligations in the past.

You have our word that we are fighting very hard to win a fair contract for you and your families. Please attend the upcoming membership meetings in your area for more information.

Yours in Solidarity,



Chair of Unions' Bargaining Committee