

SUMMARY

of the Proposed Agreement

between

The United Steelworkers
(Local Unions 13-22, 7894, 9041)

and the

Ball Metal Beverage Container Operations
(Master Agreement)

Covering plants at the following locations:

Bristol, VA, Kansas City, MO and Kent, WA

May 15, 2007



- NOTICE -

Ratification votes will be held at each location on

May 18, 2007

Check with your local union for details about the time and location of the vote and informational meetings.

All votes from all master locations will be tabulated together and a majority of the total votes cast will determine approval or rejection of the agreement.

Dear Brothers and Sisters:

Going into these negotiations, we knew that we were going to be faced with some major obstacles. First and foremost among the obstacles was the cost of retiree health care. We met with the Company in Pittsburgh last year and they told us that they were planning to fully implement the health care caps for our retirees without any Company supplement. This would have forced retirees to pay premiums that would have quickly taken away a large portion of their pension checks. The Company also told us that it wanted to eliminate Medicare Part B reimbursement to retirees.

We met with your Local Union leaders and set our priorities for negotiations:

- Decent, affordable health care for our retirees who worked hard in order they could retire with dignity and respect
- A single health care plan for active and future retirees.
- No 2-tier benefit program that would rob new hires of affordable health care and a pension
- High quality health care for active employees with only modest, affordable premiums
- Wage increases to reflect our value and commitment to sustaining Ball Metal Beverage Container as a world class company

The outpouring of your Solidarity and Support of your bargaining team made a difference. We have reached a tentative agreement that:

- Reduced the increase of health care premiums to current retirees, which is scheduled for next year, by shifting more of the cost back to the company
- Maintained Medicare Part B reimbursement to current and future retirees hired before May 15, 2007
- Maintained a Defined Pension Plan for new hires
- Seven and three quarter percent general wage increase during the term of the Agreement
- \$5 increase in the Pension Multiplier
- Improvements in the vacation eligibility
- Two cent increase in pay rate increments beginning in 2008

The following pages provide details about our proposed contract with Ball and a separate attachment "B" explains the changes to the Group Medical Plan for active employees.

We trust that you will make the right decision for you and your families. The International Union and the local negotiating committee recommend ratification.

Fred Redmond,
International Vice President

Connie Entrekin,
Special Assistant to the President

Stan Johnson
District 9 Director

Robert Bratulich
District 11 Director

Terry Bonds
District 12 Director

ECONOMICS

TERM OF AGREEMENT

The proposed agreement is for three years, from May 15, 2007, to May 15, 2010. Wage and other improvements will be paid retroactively to May 15 if the proposed agreement is ratified.

WAGES

The proposed agreement provides for the following wage increases:

Year 1 3%
Year 2 2.0%
Year 3 2.75%

EVALUATED HOURLY RATES

In the second year of the contract, the Company agrees to implement a 2 cent increment increase to wage rates starting at wage Grade 10 (2 cent increase to Grade 10, 4 cent increase to Grade 11, etc.). The increment increase will be applied before the year 2 general wage increase is applied to all wage grades.

<u>\$0.02</u>	Compression <u>Grade</u>	<u>Increase</u>
	8	\$0.00
	9	\$0.00
	10	\$0.02
	11	\$0.04
	12	\$0.06
	13	\$0.08
	14	\$0.10
	15	\$0.12
	16	\$0.14
	17	\$0.16
	18	\$0.18
	19	\$0.20
	20	\$0.22
	21	\$0.24
	22	\$0.26
	23	\$0.28
	24	\$0.30
	25	\$0.32
	26	\$0.34
	27	\$0.36
	28	\$0.38

ADDITIONAL ECONOMIC ISSUES

COLA

The Company agrees to roll-in the current COLA add-on of 22 cents

per hour to increase the base rates of pay following the calculation of the year one increase. There will be no change in the COLA formula during the term of the agreement.

Sickness and Accident Payments

The weekly A&S Benefit will be increased as follows:

May 15, 2007 \$20.00 new claims

May 15, 2008 \$20.00

May 15, 2009 \$20.00

Vision Plan

\$10 increase to each lens category under the plan and \$10 increase to frame - new claims.

Dental Plan

Increase limit from \$1,500 to \$1,700

Life Insurance

Increase by \$10,000 for a total benefit of \$60,000

Vacation

Effective January 1, 2008 employees with three (3) years but less than eight (8) will earn three (3) weeks vacation.

Employees with eight (8) years but less than seventeen (17) years will earn three (3) weeks vacation.

Tool Allowance

The Company will pay a \$200 tool allowance to active employees qualified in the line technician, shop technician, end technician, tool technician and electrical classifications on the last pay period in October 2007.

Safety Shoes

June 1, 2007 - \$100 per employee for safety shoes

Dec. 1, 2007 - \$100 per employee for safety shoes

PENSIONS

Your Negotiating Committee was able to make the following gains in pensions. The increase will be added to the current multipliers for all job classes:

May 15, 2007	\$3.50 for all years of service
May 15, 2008	\$0.50 for all years of service
May 15, 2009	\$1.00 for all years of service

The graded minimum amounts will be raised to reflect the pension increases.

Active Employee Insurance Benefits

Active Health Care and Prescription Drug Coverage

Active health care was among the most difficult issues in these negotiations. We agreed to a 90/10 plan in order to make money available to lower the cost to retirees and elsewhere in the package. The benefits contained in the plan are explained in a separate document "Attachment B" that will be distributed at the ratification meetings.

As Steelworkers, when the company wanted to push excessive costs that would be unaffordable to most retirees, we stand up for them. This plan is a good plan as you will see, but will require us to pay a little more in deductibles and out-of-pocket maximums. The premiums are as follows:

January 1, 2008	\$12
January 1, 2009	\$17
January 1, 2010	\$22

Retiree Insurance Benefits

Throughout American industry, and particularly in the can industry, the cost of retiree insurance has skyrocketed in recent years and, unless our government decides to take meaningful action, will continue to skyrocket in the years to come. Here, at Ball, if we had done nothing, the cost of retiree insurance for both current and future retirees would have placed the benefits beyond the reach of many. With the changes that we negotiated, we believe that we have saved the program for years to come.

In 2002, Ball and the USW agreed that Ball's obligation to pay for retiree insurance would be capped at the costs for year 2002. Costs for Pre-Medicare retirees in 2002 averaged \$381.00 per person, while costs for Medicare-eligible retirees averaged \$212.00 per person. Since then, costs have increased greatly. In 2007, the cost for Pre-

Medicare eligible retirees average \$586.56 per person while costs for Medicare-eligible retirees average \$341.10 per retiree. The Company projects that in 2008, based upon an assumed 8% inflation, the costs for Pre-Medicare eligible retiree will average \$658.00 per person for Pre-Medicare eligible retirees and \$368.00 per person for Medicare eligible retirees

The Company has unilaterally paid part of the costs above capped levels since 2003. In 2007, the Company has paid 50% of the costs above the capped levels for retirees who have retired since May 15, 2004 while paying 25% of the costs above the capped levels for retirees who retired before May 15, 2004. This has meant that, in 2007, Pre-Medicare retirees who retired since May 15, 2004 have paid \$102.78 per month per participant while those who retired before May 15, 2004 have paid \$154.00 per participant. As to Medicare eligible retirees, those who retired since May 15, 2004 have paid \$64.55 per month per participant while those who retired before May 15, 2004 have paid \$97.00 per participant. The Company has also informed the union that it intends in 2008 to pay nothing above the 2002 caps, which would have caused Pre-Medicare retirees in 2008 to pay \$277.00 per month per participant (\$544.00 for retiree plus spouse) and Medicare eligible retirees to pay \$156.00 per month per participant (\$312 for retiree plus spouse). The costs would only continue to grow beyond 2008. These increased costs would not only be paid by today's retirees but also by current employees who would be retiring in the future. To address these looming problems, we did several things.

First, we agreed to change effective January 1, 2008, the benefits under the retiree insurance plan from the current 100% plan to a 90/10 plan. A comparison of the current plan to the newly agreed-to plan is set out in the attached grid. The new plan still would be among the better retiree benefit plans provided to industrial retirees. The tentatively-agreed to plan will cause the Company's average monthly cost per retiree in 2008 to be reduced to \$610.00 for Pre-Medicare retirees and \$291.00 for Medicare eligible retirees.

Second, the Company agreed to increase the cap on its obligation for Pre-Medicare retirees to \$484.00 per month per plan participant. The cap will remain at \$212.00 per month per participant for Medicare eligible retirees.

Third, the parties agreed to a "two-for-one" arrangement where both the retiree and his or her spouse are younger than age 65 (i.e., not eligible for Medicare). Where both the retiree and eligible spouse are both Pre-Medicare, the retiree and spouse pay only the single retiree cost, meaning, in 2008, \$126. Where one participant is Pre-Medicare and the other is Medicare eligible, the Pre-Medicare participant pays one-half of the Pre-Medicare rate while the Medicare eligible spouse pays the Medicare rate. And, where both the retiree and spouse are Medicare eligible, they pay double the Medicare rate.

As the attached chart shows, by making these changes, in 2008, Pre-Medicare retirees will pay \$126 per month where both are Pre-Medicare. A Medicare eligible retiree will pay \$79.00 per month per participant (meaning, \$158.00 for retiree plus spouse). If we had done nothing, the monthly costs for Pre-Medicare retirees would have been \$277.00 per month for the retiree-only and \$554.00 per month for a retiree and spouse. Thus, our changes in 2008 will save a Pre-Medicare retiree and spouse \$428.00 per month where both are Pre-Medicare and \$412.00 per month for retiree and spouse coverage where one is Medicare eligible and one is Pre-Medicare. All future increases over the new caps will be paid by the retirees.

In light of the agreed-to changes in benefits, Ball has also informed the USW that will pass along some of the savings to the current retirees. While we did not bargain for the current retirees because Ball asserted its legal right to refuse to bargain over retirees, we believe that finding ways to allow current retirees to save on the cost of retiree health care

was and is the right thing to do and, indeed, is what Steelworkers throughout the country in many different industries have done in order to help their retired brothers and sisters.

Language

Accident & Sick Leave

Employees with less than two (2) years of service on the last day worked are eligible for up to 26 weeks of health care continuation from the last day worked, two (2) years, but less than ten (10) years of service on the last day worked are eligible for up to 52 weeks of health care continuation from the last day worked, ten (10) or more years of service on the last worked are eligible for up to 78 weeks of health care continuation from the last day worked unless the ten (10) or more years of service has a Social Security Disability appeal pending under the provisions of the Accident and Sickness Plan, in which case the employee may be eligible for up to 104 weeks of health care continuation from the e last day worked.

Family and Medical Leave

An employee must use 24 hours of his/her earned but unused vacation concurrent with FMLA leave.

Gainsharing

Parties agree that the Top Level Cooperative Partnership Committee will meet at a mutually agreed upon time and place following ratification of the CBA to examine the Gainsharing plan and explore the feasibility of providing a minimum Gainsharing payout provided key business goals are met.

COMPARISON OF BENEFITS

Medical Plan Proposal Post 65

Plan Provisions	Current Plan Design	Proposed Changes
Annual Deductible	None	\$150 per individual \$400 Family Maximum
Annual Out of Pocket	None	\$1,000 per individual \$2,000 Family Maximum
Maximum		
Maximum Per Person Reimbursement	Basic: Unlimited lifetime Major Medical: \$30,000 annual max per individual, \$100,000 lifetime max per individual	\$1,000,000 per person
Medicare Part A Services		
<i>Inpatient Hospital Care</i>		
Day 1 - 60	100% of hospital deductible	90% of remaining Medicare approved charges after meeting annual deductible, 100% after the out of pocket maximum
Day 61 - 90	100% of daily co-pay	90% of remaining Medicare approved charges after meeting annual deductible, 100% after the out of
Day 91 -120	100%	90% of remaining Medicare approved charges after meeting annual deductible, 100% after the out of
60 lifetime reserve days	100% of daily co-pay	90% of remaining Medicare approved charges after meeting annual deductible, 100% after the out of
Additional Days	80% of charge, covered under major medical	90% of remaining Medicare approved charges after meeting annual deductible, 100% after the out of pocket maximum

Skilled Nursing Home		
Day 1 - 20	100% (less Medicare payment)	90% of remain in Medicare approved charges after meeting annual deductible, 100% after the out of pocket maximum
Day 21 -100	100% (less Medicare payment)	90% of remain in Medicare approved charges after meeting annual deductible, 100% after the out of pocket maximum
Day 101 - 365	100%	90% of remain in Medicare approved charges after meeting annual deductible, 100% after the out of pocket maximum
Home Health Care		
Skilled Care	100% (less Medicare payment)(100 visits /year)	90% of remain in Medicare approved charges after meeting annual deductible, 100% after the out of pocket maximum (up to 100 visits/year)
Durable medical equipment	100% (less Medicare payment)	90% of remain in Medicare approved charges after meeting annual deductible, 100% after the out of
Hospice	0%	0%
Blood		
First 3 pints	100%	90% of remain in Medicare approved charges after meeting annual deductible, 100% after the out of pocket maximum
Additional Pints:		
In-patient	0%	0%
Outpatient	0%	0%
Medicare Part B Services		
Basic Benefits		
Medical Outpatient Hospital Services	0%	0%
Medical Doctor Services		
Surgery and Obstetrics (inpatient or outpatient)	20%	90% of remain in Medicare approved charges after meeting annual deductible, 100% after the out of pocket maximum
Home Health Care	20% (10 visits/year)	90% of remain in Medicare approved charges after meeting annual deductible, 100% after the out of pocket maximum (up to 100 visits/year)

Other Outpatient Services	0%	0%
Skilled Nursing Home Visits	20% (2 visits/7days)	90% of remaining Medicare approved charges after meeting annual deductible, 100% after the out of pocket maximum (2 visits/7days)
<i>Certain Inpatient Services</i> Anesthesia, including Acupuncture Radiation Therapy Diagnostic X-Ray and Lab Basal Metabolism Tests Pulmonary Function Tests Protein-Bound Iodine Tests EKG EEG EMG Ultrasound	20%	90% of remaining Medicare approved charges after meeting annual deductible, 100% after the out of pocket maximum
Major Medical Benefits for Medicare Part B Services		
<i>Private Duty Nurse</i>	80% (less Medicare payment)	90% of remaining Medicare approved charges after meeting annual deductible, 100% after the out of pocket maximum
<i>Immunizations (except for travel)</i>	80% (less Medicare payment)	90% of remaining Medicare approved charges after meeting annual deductible, 100% after the out of pocket maximum

Mental Health Services		
Outpatient Doctor Care	First \$500 of charges/ year paid at 30%, rest at 80%	90% of remaining Medicare approved charges after meeting annual deductible, 100% after the out of pocket maximum
Inpatient Doctor Care	For outpatient and inpatient doctor care and outpatient facility care combined.	For outpatient and inpatient doctor care and outpatient facility care combined
Outpatient Facility Care (day care or night care program)		
Inpatient Hospital Care	See inpatient Hospital Care under Medicare Part A Services	See inpatient Hospital Care under Medicare Part A Services
Major Medical Calendar Year Limit	\$30,000 Individual	N/A
Major Medical Lifetime Limit	\$100,000 Individual	N/A
Physical, Speech or Occupational Therapy (with certain limits)	0%	0%
Durable Medical Equipment	0%	0%
Medical Supplies (colostomy supplies, splints, casts, etc.)	0%	0%
Outpatient Prescription Drugs	Covered under Prescription Drug Plan	Covered under Prescription Drug Plan

Prescription Drug Plan		
Prescribed Drugs (including managed formulary) Covered through <u>Medco</u>	\$100 per individual, \$200 per family deductible <u>Retail Pharmacy</u> 15% Coinsurance Generic 20% Coinsurance Preferred Brand 25% Coinsurance Non-Preferred Brand <u>Mail Order</u> \$10* Coinsurance Generic \$20* Coinsurance Preferred Brand \$30* Coinsurance Non-Preferred Brand No deductible, 90-day supply * or lesser of retail pharmacy coinsurance	\$100 per individual, \$200 per family deductible <u>Retail Pharmacy Co-Pays</u> Generic > of \$7 or 10% Formulary > of \$15 or 25% Non-Formulary > of \$25 or 35% <u>Mail Order</u> \$10 Co-pay for generic \$25 Co-pay for formulary \$45 Co-pay for non-formulary No deductible, 90-day supply Note: Prescription co-pays do not apply to out of pocket maximum.